

---

**PRELIMINARY DRAFT**  
**No. 3528**

**PREPARED BY**  
**LEGISLATIVE SERVICES AGENCY**  
**2005 GENERAL ASSEMBLY**

---

**DIGEST**

**Citations Affected:** IC 9-21; IC 12-17-19; IC 16-41-37.5;  
IC 20-12-76; IC 21-1; IC 21-2; IC 22-4.1; IC 36-10; IC 36-12.

**Synopsis:** Title 20 recodification. Provisions outside Title 20.

**Effective:** July 1, 2005.



A BILL FOR AN ACT to amend the Indiana Code concerning education.

*Be it enacted by the General Assembly of the State of Indiana:*

SECTION 1. IC 9-21-5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. (a) Except as provided in ~~subsection~~ **subsections (b) and (c)**, a person who violates this chapter commits a Class C infraction.

(b) A person who exceeds a speed limit that is:

(1) established under section 6 of this chapter and imposed only in the immediate vicinity of a school when children are present;

or

(2) established under section 11 of this chapter and imposed only in the immediate vicinity of a worksite when workers are present; commits a Class B infraction.

[20-9.1-5-22] **(c) A person who, while operating a school bus exceeds a speed limit set forth in section 14 of this chapter commits a Class C misdemeanor. [QUERY: ADD A CULPABILITY STANDARD?]**

SECTION 2. IC 9-21-5-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: [20-9.1-5-10] Sec. 14. ~~Sec. 10: Maximum Speed of Buses: No~~ **(a) A person may not operate a school bus shall be operated** at a speed greater than:

(1) fifty-five (55) miles per hour on a federal or state highway; or ~~greater than~~

(2) forty (40) miles per hour on ~~any~~ a county or township highway. ~~When~~

**(b) If** the posted speed limit is lower than the absolute limits set in this section or ~~when~~ **if** the absolute limits do not apply, the maximum lawful speed of a bus is the posted speed limit.

SECTION 3. IC 9-21-12-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. **(a)** A person who violates section 5, 6, or 7 of this chapter commits a Class C infraction.

[20-9.1-5-22] **(b) A person who violates section 12, 13, 14, 15, 16,**



or 17 of this chapter commits a Class C misdemeanor. [QUERY:  
ADD A CULPABILITY STANDARD?]

SECTION 4. IC 9-21-12-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: [20-9.1-5-12] Sec. 12. ~~Loading and Unloading.~~ When a school bus is operated on a highway, the driver shall load and unload ~~school children~~ **a student** as close as practical to the right-hand curb or edge of the roadway.

SECTION 5. IC 9-21-12-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: [20-9.1-5-14] Sec. 13. ~~Sec. 14. Arm Signal Device.~~ (a) ~~Whenever Except:~~

(1) as provided in subsection (b); or

(2) when a school bus is stopped at an intersection or another place where traffic is controlled by a traffic control device or a police officer;

~~whenever~~ a school bus is stopped on a roadway to load or unload ~~school children~~, **a student**, the driver shall use an arm signal device, ~~and the arm signal device shall~~ **which must** be extended while the bus is stopped. ~~except that a school bus driver need not extend an arm signal device when the school bus is stopped at an intersection or other place where traffic is controlled by a traffic control device or a police officer.~~

(b) For the purpose of this chapter, "roadway" means that portion of a highway improved, designed or ordinarily used for vehicular travel, exclusive of the sidewalk, berm or shoulder even though the sidewalk, berm or shoulder is used by persons riding bicycles or other human powered vehicles.

~~(c)~~ (b) The governing body of a public school governing body may authorize a school bus driver to load or unload ~~passengers~~ **a student** at ~~locations~~ **a location** off the roadway which it shall designate ~~that the governing body designates as a special school bus loading areas.~~ **area.** The driver ~~need is not required to~~ extend the arm signal device when loading or unloading ~~passengers~~ **a student** in the designated ~~areas.~~ **area.**

SECTION 6. IC 9-21-12-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: [20-9.1-5-15] Sec. 14. ~~Sec. 15. Directional Signals.~~ Before a driver changes the direction of a school bus, ~~he the driver~~ shall use a directional signal to indicate the change ~~not less than at least one hundred (100) feet before he the driver~~ turns.

SECTION 7. IC 9-21-12-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: [20-9.1-5-16] Sec. 15. ~~Sec. 16. The driver of a school bus shall use~~ flashing lights as prescribed by the state school bus committee ~~shall be used on every school bus in order~~ to give adequate



1 warning that the **school** bus is stopped or about to stop on the roadway  
 2 to load or unload ~~passengers~~ **a student**.

3 SECTION 8. IC 9-21-12-16 IS ADDED TO THE INDIANA CODE  
 4 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 5 1, 2005]: [20-9.1-5-17] Sec. 16. ~~Sec. 17. Forward Area of Bus Off~~  
 6 ~~Limits to Children~~: When a school bus is in motion, ~~school children~~  
 7 **students** are prohibited from occupying any space forward of a vertical  
 8 plane drawn through the rear of the driver's seat and perpendicular to  
 9 the longitudinal axis of the bus. Every school bus ~~shall~~ **must**:

10 (1) be marked with a line or ~~shall be~~ otherwise equipped in order  
 11 to indicate ~~this the~~ prohibited area to ~~school children~~. Every  
 12 ~~school bus shall~~ **students; and**

13 (2) have clearly posted, at or near the front **of the bus**, a sign  
 14 stating that it is a violation of Indiana law for a school bus to be  
 15 operated with any ~~school children~~ **students** occupying the  
 16 prohibited area.

17 SECTION 9. IC 9-21-12-17 IS ADDED TO THE INDIANA CODE  
 18 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 19 1, 2005]: [20-9.1-5-11] Sec. 17. ~~Sec. 17.~~ (a) **Except as provided in**  
 20 **subsection (b)**, before crossing any railroad track at grade, the driver  
 21 of a school bus carrying ~~any passengers~~ **a passenger** shall stop the bus  
 22 within fifty (50) feet, but not less than fifteen (15) feet from the nearest  
 23 rail. While the bus is stopped, the driver shall:

24 (1) listen through an open door; ~~he shall~~

25 (2) look in both directions along the track for **an** approaching  
 26 ~~trains; train; and he shall~~

27 (3) look for signals indicating the approach of a train. ~~He shall~~

28 **The driver may** not proceed until it is safe to ~~do so~~ **proceed**. When  
 29 it is safe to proceed, the driver shall select a gear ~~which that~~ will allow  
 30 ~~him the driver~~ to cross the tracks without changing gears. The driver  
 31 ~~shall may~~ not shift gears while crossing the tracks. ~~However,~~

32 (b) The driver is not required to stop when a police officer is  
 33 directing the flow of traffic across railroad tracks.

34 (b) (c) Upon conviction of a violation of this section, a driver shall  
 35 have ~~his the driver's~~ operator's license suspended for a period of not  
 36 less than sixty (60) days in addition to the penalties provided by  
 37 ~~IC 20-9.1-5-22~~ **section 11 of this chapter**.

38 SECTION 10. IC 12-17-19 IS ADDED TO THE INDIANA CODE  
 39 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 40 JULY 1, 2005]:

41 **Chapter 19. Step Ahead Comprehensive Early Childhood Grant**  
 42 **Program**

43 [20-1-1.8-1] Sec. 1. As used in this chapter, "convener" means:

44 (1) an organization that:

45 (A) is ~~not-for-profit~~ **nonprofit**;

46 (B) is nongovernmental;



- 1 (C) is not religiously affiliated;  
 2 (D) operates countywide; and  
 3 (E) serves multiple agencies;  
 4 (2) a school corporation (as defined in IC 20-6.1-1-5[??]); or  
 5 (3) another entity approved by the panel.
- 6 [20-1-1.8-2] Sec. 2. As used in this chapter, "coordination grant"  
 7 refers to a step ahead grant awarded to initiate the development of a  
 8 step ahead proposal.
- 9 [20-1-1.8-3] Sec. 3. As used in this chapter, "eligible entity" means  
 10 any of the following:  
 11 (1) A school corporation (as defined in IC 20-6.1-1-5[??]).  
 12 (2) An organization approved by the panel.  
 13 (3) ~~Any~~ **A** combination of eligible entities described in  
 14 subdivisions (1) and (2) under a cooperative agreement among the  
 15 eligible entities.
- 16 [20-1-1.8-4] Sec. 4. As used in this chapter, "eligible program"  
 17 means a federal, state, local, or private program or service ~~aimed at~~  
 18 ~~serving, assisting, that serves, assists,~~ or otherwise ~~benefiting~~ **benefits**  
 19 a child ~~as~~ **and is** approved by the governor and the panel under  
 20 guidelines developed under section ~~17~~ **18** of this chapter. The term  
 21 includes the following programs or services:  
 22 (1) Child care.  
 23 (2) Preschool, including special education preschool.  
 24 (3) Parent information, including parents as teachers **programs.**  
 25 (4) School age child care (commonly referred to as latch key) as  
 26 described in IC 12-17-12-5 and IC 20-5-2-1.2(c)[?], including  
 27 latch key services for kindergarten ~~pupils~~ **students.**  
 28 (5) Early identification and early intervention.  
 29 (6) Maternal and child nutrition.  
 30 (7) Health and screening.
- 31 [20-1-1.8-5] Sec. 5. (a) As used in this chapter, "implementation  
 32 grant" refers to a step ahead grant that is awarded to a step ahead  
 33 county to provide financial assistance to eligible entities providing  
 34 eligible programs.
- 35 (b) The term includes the use of available state appropriations and  
 36 available federal funds, including federal funds received under the  
 37 Child Care and Development Block Grant under 42 U.S.C. ~~658~~ **9858**  
 38 et seq.
- 39 [20-1-1.8-6] Sec. 6. As used in this chapter, "income eligibility  
 40 guidelines" refers to the income eligibility guidelines prescribed by the  
 41 panel under section ~~17~~ **18** of this chapter.
- 42 [20-1-1.8-7] Sec. 7. As used in this chapter, "panel" refers to the  
 43 step ahead **statewide** panel established under section ~~13~~ **14** of this  
 44 chapter.
- 45 [20-1-1.8-8] Sec. 8. As used in this chapter, "parent" means ~~the~~ **an**  
 46 individual who has legal custody of a child.



[20-1-1.8-9] Sec. 9. As used in this chapter, "step ahead" refers to the step ahead comprehensive early childhood grant program established under section 11 of this chapter.

[20-1-1.8-10] Sec. 10. As used in this chapter, "step ahead county" refers to a county in which an eligible entity has been awarded coordination and implementation grants. The term may include more than one (1) county as provided in section ~~17~~ **18** of this chapter.

[20-1-1.8-11] Sec. 11. (a) The step ahead comprehensive early childhood grant program is established to provide financial assistance and other incentives to eligible entities to implement, coordinate, and monitor eligible programs countywide.

(b) The division ~~of family and children~~ shall administer the Child Care and Development Block Grant under 42 U.S.C. ~~658~~ **9858** et seq. received by the division ~~of family and children~~ in accordance with the guidelines established by the ~~step ahead~~ panel under section ~~17~~ **18** of this chapter.

(c) The ~~state~~ panel shall use available state funds to the extent the general assembly makes an appropriation under this chapter.

[20-1-1.8-11.1] Sec. 12. ~~Sec. 11.1. Unexpended money at the end of a state fiscal year appropriated under this chapter from the state general fund to carry out the purposes of this chapter does not revert to the state general fund at the end of a state fiscal year.~~

[20-1-1.8-12] Sec. 13. ~~Sec. 12. The goals of step ahead are as follows: to:~~

- (1) ~~To~~ identify and recognize the various eligible programs available in each county at federal, state, local, and private levels;
- (2) ~~To~~ encourage coordination and cooperation among the eligible programs described in subdivision (1) and to discourage duplication of services;
- (3) ~~To~~ provide comprehensive eligible programs countywide that are accessible to all eligible children and affordable to the children's parents;
- (4) ~~To~~ recognize the specific service needs of and unique resources available to particular counties, develop ~~those into~~ statewide resource listings, and ~~to~~ incorporate flexibility regarding the implementation of eligible programs;
- (5) ~~To~~ prevent or minimize the potential for developmental delay in children before the children reach the age of compulsory school attendance under IC 20-8.1-3-17[??];
- (6) ~~To~~ enhance certain federally funded eligible programs;
- (7) ~~To~~ strengthen the family unit through: ~~the following:~~
  - (A) encouragement of parental involvement in a child's development and education;
  - (B) prevention of disruptive employment conditions for parents who are employed; **and**
  - (C) enhancement of the capacity of families to meet the special



- 1 needs of their children, including those children with  
 2 disabilities;
- 3 (8) ~~To~~ reduce the educational costs to society by reducing the  
 4 need for special education services after children reach school  
 5 age;
- 6 (9) ~~To assure~~ **ensure** that children with disabilities ~~when~~  
 7 ~~appropriate~~ are integrated, **when appropriate**, into programs  
 8 available to children who are not disabled; **and**
- 9 (10) ~~Beginning in 2000, to~~ ensure that every child who enrolls in  
 10 kindergarten in Indiana has ~~benefitted~~ **benefitted** since birth from  
 11 eligible programs available under step ahead.
- 12 [20-1-1.8-13] Sec. 14. ~~Sec. 13:~~ (a) The step ahead statewide panel  
 13 is established to implement the step ahead program.
- 14 (b) The panel consists of the following members:
- 15 (1) Six (6) members who:
- 16 (A) ~~shall be~~ **are** appointed by and serve at the pleasure of the  
 17 governor; and
- 18 (B) are selected from representatives of the following state  
 19 agencies:
- 20 (i) Division of mental health and addiction.  
 21 (ii) State department of health.  
 22 (iii) ~~The division of children and family services.~~  
 23 (iv) Budget agency.  
 24 (v) Division of aging and rehabilitative services.  
 25 (vi) Department of education.  
 26 (vii) Executive staff of the lieutenant governor with  
 27 knowledge in the area of employment and training  
 28 programs.  
 29 (viii) Executive staff of the governor.
- 30 (2) Five (5) members who:
- 31 (A) ~~shall be~~ **are** appointed by and serve at the pleasure of the  
 32 governor;
- 33 (B) are representative of the private sector; and
- 34 (C) are knowledgeable in the field of early childhood  
 35 development.
- 36 (3) Four (4) members who:
- 37 (A) ~~shall be~~ **are** appointed by and serve at the pleasure of the  
 38 state superintendent of public instruction; and
- 39 (B) are knowledgeable in early childhood education. ~~(c) The~~  
 40 ~~chairman of the panel~~
- 41 (4) ~~One (1) member who: shall:~~
- 42 (A) ~~be~~ **is** appointed by the governor from outside of the  
 43 membership of the panel as described in subsection (b); The  
 44 chairman serves and serves at the pleasure of the governor;  
 45 **and**  
 46 (B) serves as the chairperson of the panel.



[20-1-1.8-14] Sec. 15. ~~Sec. 14.~~ (a) The members of the panel who are state employees are entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(b) Each member of the panel who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). ~~Such~~ A member **who is not a state employee** is also entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

[20-1-1.8-15] Sec. 16. ~~Sec. 15.~~ The panel may ~~utilize~~ **use** the personnel employed by the division of family and children established under IC 12-13-1-1 to assist the panel in ~~performing its functions~~ **authorized under implementing** this chapter.

[20-1-1.8-16] Sec. 17. ~~Sec. 16.~~ The panel may adopt rules under IC 4-22-2 to ~~carry out its responsibilities.~~ **implement this chapter.**

[20-1-1.8-17] Sec. 18. ~~Sec. 17.~~ (a) The panel shall do the following:

(1) Establish guidelines to implement this chapter that comply with the regulations governing the distribution of the Child Care and Development Block Grant under 42 U.S.C. ~~658~~ **9858** et seq., including guidelines on the following:

(A) Subject to the requirements under sections ~~18 and 20~~ **and 22** of this chapter, the content of the application and step ahead proposal.

(B) The types of early childhood programs that are eligible programs.

(C) Income eligibility guidelines for parents who are unable to afford the services provided by eligible entities.

(D) Subject to the availability of funds, a schedule for awarding coordination and implementation grants and the criteria used to award those grants under this chapter, including the following:

(i) The degree to which available eligible programs are coordinated within the county under the proposal.

(ii) The extent of community commitment to step ahead initiatives.

(iii) The relative need for the county to become a step ahead county.

(iv) The extent to which multiple eligible programs and services are collocated throughout the county, including public schools.

(v) The extent to which the school corporations within the county cooperate in step ahead initiatives.





- 1 (vi) The quality reflected by comprehensive programming
- 2 for preschool services and the commitment to consistent
- 3 staff training opportunities.
- 4 (vii) The extent to which proposed eligible programs
- 5 provide integrated programs for children with disabilities
- 6 and children who are not disabled.
- 7 (E) Any limitations in the expenditure of step ahead grants.
- 8 (F) ~~Reporting~~ Requirements ~~of for~~ grant recipients or the step
- 9 ahead county coordinator **to report** on the implementation of
- 10 the step ahead programs within the county.
- 11 (G) The distribution of federal funds, including the Child Care
- 12 and Development Block Grant under 42 U.S.C. ~~658~~ **9858** et
- 13 seq., and other available funds to eligible programs.
- 14 (H) Any other pertinent matter.
- 15 (2) Develop minimum standards for eligible programs.
- 16 (3) Review each step ahead application for a coordination grant
- 17 and each proposal for an implementation grant submitted by the
- 18 convener.
- 19 (4) Approve those proposals that comply with this chapter.
- 20 (5) Conduct the assessments of step ahead programs under section
- 21 ~~22~~ **24** of this chapter.
- 22 (6) Monitor the overall implementation of step ahead, encourage
- 23 the collaboration through the ~~department's~~ **department of**
- 24 **education's** early childhood division to promote consistency in
- 25 state efforts for young children, and report to the governor on ~~its~~
- 26 **the implementation of step ahead.**
- 27 (7) Any other task to facilitate the implementation of step ahead.
- 28 (b) The panel may contract for services to assist in the
- 29 implementation of the step ahead program.
- 30 (c) The panel may designate as a step ahead county and step ahead
- 31 grant recipient more than one (1) county if the participating counties:
- 32 (1) are contiguous to each other; and
- 33 (2) agree to jointly comply with this chapter.
- 34 [20-1-1.8-17.2] Sec. 19. ~~Sec. 17-2.~~ Notwithstanding IC 4-13-2-20
- 35 and IC 12-8-10-7 and in addition to the authorization to enter into
- 36 contracts for services under section ~~17(b)~~ **18(b)** of this chapter, ~~any a~~
- 37 contract issued by the division ~~of family and children~~ for programs
- 38 administered by the bureau of child care services, including ~~without~~
- 39 ~~limitation any a~~ contract for the administration of the programs
- 40 authorized under IC 12-17-15 and this chapter, may include a provision
- 41 for advance funding if the provision is not inconsistent with the terms
- 42 of any applicable federal law or regulation and any of the following
- 43 conditions is met:
- 44 (1) ~~If~~ The annual contract amount is at least fifty thousand dollars
- 45 (\$50,000) and the advance funding is not more than one-sixth
- 46 (1/6) of the contract amount.



(2) ~~If~~ The annual contract amount is less than fifty thousand dollars (\$50,000) and the advance funding is not more than one-half (1/2) of the contract amount.

(3) ~~If~~ The advance funding is in the form of interim payments, with subsequent reconciliation of the amounts paid under the contract and the cost of the services actually provided.

[20-1-1.8-18] Sec. 20. ~~Sec. 18.~~ **In order for the eligible entities in a county** to receive a coordination grant, the following must occur:

(1) One (1) convener located within the county must submit to the panel, ~~an application on or before August 1 of a year and~~ under an agreement by the eligible entities in the county, **an application** for a coordination grant ~~on or before August 1 of a year that: does the following:~~

(A) designates a step ahead county coordinator to facilitate the development of the proposal;

(B) designates a fiscal agent to receive the coordination grant;  
**and**

(C) includes any other information required under the guidelines.

(2) Upon review of each application, the panel shall designate each step ahead county and shall award a coordination grant to the fiscal agent described in subdivision (1).

[20-1-1.8-19] Sec. 21. ~~Sec. 19.~~ Upon receipt of a coordination grant, the step ahead county coordinator shall initiate the development of a detailed proposal to qualify for an implementation grant. The step ahead county coordinator shall submit the proposal to the panel on or before December 31 of the year in which the application is submitted.

[20-1-1.8-20] Sec. 22. ~~Sec. 20.~~ The proposal **submitted under section 21 of this chapter** must comply with the following minimum requirements:

(1) Include a detailed description of the manner in which the eligible programs available within the county are to be implemented, coordinated, and monitored.

(2) Certify that each eligible entity shall request and obtain a limited criminal history on each prospective employee hired by the eligible entity. ~~after July 1, 1991.~~

(3) Designate a fiscal agent to administer the implementation grant.

(4) Demonstrate how at least the following eligible programs may be offered, coordinated, and monitored within the entire county under an agreement with the providers of the following eligible programs:

(A) Preschool, including Head Start under 42 U.S.C. 9831 et seq., special education preschool, or developmental child care programs for preschool children.

(B) Child care programs.



- 1 (C) The Early and Periodic Screening, Diagnosis, and  
 2 Treatment program under 42 U.S.C. 1396 et seq.  
 3 (D) Early intervention parent information programs.  
 4 (E) Individual family service plans.  
 5 (F) School age child care programs (commonly referred to as  
 6 latch key programs).  
 7 ~~(G) Family literacy programs that may be funded through Even~~  
 8 ~~Start under 20 U.S.C. 2741 et seq.~~  
 9 **(G) Student reading skills improvement grants under 20**  
 10 **U.S.C. 6361 et seq.**  
 11 ~~(H) Job Opportunities and Basic Skills Training Program~~  
 12 ~~under 42 U.S.C. 701 et seq.~~  
 13 ~~(I) Job Training Partnership Act programs under 29 U.S.C.~~  
 14 ~~1501 et seq.~~  
 15 ~~(J) (H) Parental involvement programs.~~  
 16 ~~(K) (I) Children of children child care programs aimed at~~  
 17 ~~serving children of teenage parents to encourage the teenage~~  
 18 ~~parents to graduate from high school or participate in~~  
 19 ~~vocational training.~~  
 20 ~~(L) (J) Vocational training programs for unemployed parents.~~  
 21 ~~(M) (K) Health, nutrition, and vaccination programs.~~  
 22 ~~(N) (L) State medical assistance services for eligible~~  
 23 ~~individuals under IC 12-15.~~  
 24 (5) Certify that the eligible programs described in subdivision (4)  
 25 are provided at no cost to parents of children who qualify under  
 26 the income eligibility guidelines and at an affordable or sliding  
 27 fee for other parents.  
 28 (6) Describe the manner in which the implementation grant will  
 29 be directed to and expended by eligible programs.  
 30 [QUERY: THE JOB OPPORTUNITIES AND BASIC SKILLS  
 31 LEGISLATION IS NO LONGER IN EFFECT.][QUERY: JOB  
 32 TRAINING PARTNERSHIP ACT HAS ALSO BEEN REPEALED ]  
 33 [20-1-1.8-21] Sec. 23. ~~Sec. 21:~~ (a) The fiscal agent for the  
 34 implementation grant ~~is authorized to~~ may distribute the  
 35 implementation grant received under this chapter in accordance with  
 36 the approved proposal.  
 37 (b) If an eligible entity received state funds to implement an eligible  
 38 program before becoming a step ahead eligible program, the eligible  
 39 entity shall be given priority with regard to receiving continued state  
 40 funding to implement the eligible program under this chapter with no  
 41 break in continuity of service from the prior year.  
 42 [20-1-1.8-22] Sec. 24. ~~Sec. 22:~~ (a) To evaluate the effectiveness of  
 43 step ahead as the program relates to the step ahead goals listed in  
 44 section ~~12~~ 13 of this chapter, the panel shall employ the following  
 45 assessment mechanisms:  
 46 (1) The step ahead county coordinator shall annually report to the



panel on the development, quality, and appropriateness of the individual family service plans for children whose parents qualify under the income eligibility guidelines.

(2) The step ahead county coordinator shall annually report to the panel on the number of children who:

(A) are ~~utilizing~~ **using** step ahead services; and

(B) do not qualify under the income eligibility guidelines.

(3) The panel shall annually assess the results of any readiness program under IC 20-10.1-21[??] for students in kindergarten and grade 1 to determine whether children enrolling in school after benefiting from step ahead demonstrate greater readiness for learning. The department **of education** shall cooperate with the panel in this regard by assisting in defining the term "readiness" and supporting the evaluation based on knowledge and training in early childhood.

(4) Any other valid assessment technique or method approved by the panel.

(b) The panel shall implement a schedule for assessing step ahead programs, ~~utilizing~~ **using** prior evaluation results and techniques learned through the ~~department's~~ **department of education's** pilot preschool programs.

[20-1-1.8-23] Sec. 25. ~~Sec. 23:~~ (a) Each step ahead proposal ~~shall ensure~~ **must provide for** the implementation of a preschool or developmental child care program for preschool children.

(b) The goals of the preschool or developmental child care program for preschool children are ~~as follows:~~ **to:**

(1) ~~To~~ enhance the child's readiness for learning and facilitate the transition from home to school when the preschool child reaches the age of compulsory school attendance;

(2) ~~To~~ identify developmental problems or concerns in preschool children and ~~to~~ make referrals to the appropriate service providers or to provide the appropriate services;

(3) ~~To~~ prevent disruptive employment conditions for parents who are employed; **and**

(4) ~~To~~ ensure a continuity in access to step ahead programs as each preschool child nears the age of compulsory school attendance.

(c) To qualify for an implementation grant under this chapter for preschool or developmental child care programs for preschool children, the eligible entity implementing a preschool or developmental child care program for preschool children must demonstrate cooperation with the following programs within the county:

(1) Public schools, particularly those public schools that provide preschool or special education preschool services.

(2) Head Start programs under 42 U.S.C. 9831 et seq.

(3) Infants and toddlers with disabilities programs under



1 IC 12-17-15.

2 (4) County health department programs.

3 (5) Private industry council programs.

4 (6) Women, Infants, and Children (WIC) programs under 42  
5 U.S.C. 1786 et seq.

6 (7) Community mental retardation and mental health centers that  
7 provide services to preschool children with disabilities.

8 (8) The county office of family and children.

9 (9) Consumer representation groups.

10 SECTION 11. IC 16-41-37.5 IS ADDED TO THE INDIANA  
11 CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS  
12 [EFFECTIVE JULY 1, 2005]:

13 **Chapter 37.5. Indoor Air Quality in Schools**

14 [20-10.1-33-1] Sec. 1. As used in this chapter, "school" refers to a:

15 (1) public school; or

16 (2) nonpublic school that is not located in a private home.

17 [20-10.1-33-2] Sec. 2. (a) The state department of ~~health~~ may adopt  
18 rules under IC 4-22-2 to establish an indoor air quality in schools  
19 inspection and evaluation program to assist schools in developing plans  
20 to improve indoor air quality.

21 (b) The state department of ~~health~~ shall:

22 (1) inspect a school for which the **state** department has received  
23 a complaint about the quality of air in the school;

24 (2) report the results of the inspection to:

25 (A) the person who complained about the quality of air in the  
26 school;

27 (B) the school's principal;

28 (C) the superintendent of the school ~~district~~, **corporation**, if  
29 the school is part of a school ~~district~~, **corporation**;

30 (D) the Indiana state board of education, if the school is a  
31 public school or an accredited nonpublic school; and

32 (E) the appropriate local or county board of health; and

33 (3) assist the school in developing a reasonable plan to improve  
34 air quality conditions found in the inspection.

35 [20-10.1-33-3] Sec. 3. (a) The school air quality panel is established  
36 to assist the state department of ~~health~~ in carrying out this chapter.

37 (b) The panel consists of the following members:

38 (1) A representative of the state department, ~~of health~~, appointed  
39 by the commissioner of the state department. ~~of health~~.

40 (2) A representative of the department of education, appointed by  
41 the state superintendent of public instruction.

42 (3) A member of the governing body of a school corporation,  
43 appointed by the state superintendent of public instruction.

44 (4) A teacher licensed under IC 20-6.1-3[??], appointed by the  
45 governor.

46 (5) A representative of a statewide parent organization, appointed



by the state superintendent of public instruction.

(6) A physician who has experience in indoor air quality issues, appointed by the commissioner of the state department ~~of health~~.

(7) An individual with training and experience in occupational safety and health, appointed by the commissioner of the department of labor.

(8) A mechanical engineer with experience in building ventilation system design, appointed by the governor.

(9) A building contractor with experience in air flow systems who is a member of a national association that specializes in air flow systems, appointed by the governor.

(10) A member of a labor organization whose members install, service, evaluate, and balance heating, ventilation, and air conditioning equipment, appointed by the governor.

(11) An individual with experience in the cleaning and maintenance of commercial facilities, appointed by the governor.

(c) The chairperson of the panel shall be the representative of the state department ~~of health~~.

(d) The panel shall convene at the discretion of the chairperson.

(e) The state department ~~of health~~ shall provide administrative support for the panel.

(f) The panel shall:

(1) identify and make available to schools best operating practices for indoor air quality in schools; and

(2) assist the state department ~~of health~~ in developing plans to improve air quality conditions found in inspections under section 2 of this chapter.

SECTION 12. IC 20-12-76 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

**Chapter 76. Postsecondary Proprietary Educational Institution Accreditation**

[20-1-19-1] Sec. ~~1~~. ~~As used in this chapter, the following terms have the following meanings:~~

[20-1-19-1] Sec. 1. ~~(4)~~ **As used in this chapter**, "accreditation" means certification of a status of approval or authorization by the commission to conduct business as a postsecondary proprietary educational institution.

[20-1-19-1] Sec. 2. ~~(7)~~ **As used in this chapter**, "agent" means ~~any~~ a person who:

(1) enrolls or seeks to enroll a resident of Indiana through:

(A) personal contact;

(B) telephone;

(C) advertisement;

(D) letter; or

(E) publications;



in a course offered by a postsecondary proprietary educational institution; or ~~who~~

(2) otherwise holds ~~himself the person~~ out to the residents of Indiana as representing a postsecondary proprietary educational institution.

[20-1-19-1] Sec. 3. ~~(8)~~ **As used in this chapter**, "agent's permit" means a nontransferable written authorization issued to a person by the commission to solicit ~~any a~~ resident of ~~this state~~ **Indiana** to enroll in a course offered or maintained by a postsecondary proprietary educational institution.

[20-1-19-1] Sec. 4. ~~(5)~~ **As used in this chapter**, "application" means a written request for accreditation or ~~an~~ agent's permit on forms supplied by the commission.

[20-1-19-1] Sec. 5. ~~(3)~~ **As used in this chapter**, "commission" means the Indiana commission on proprietary education.

[20-1-19-1] Sec. 6. ~~(6)~~ **As used in this chapter**, "course" means ~~any~~ **a** plan or program of instruction or training, whether conducted in person, by mail, or by any other method.

[20-1-19-1] Sec. 7. ~~(9)~~ **As used in this chapter**, "fund" refers to the career college student assurance fund established by section ~~8-2~~ **20** of this chapter.

[20-1-19-1] Sec. 8. ~~(2)~~ **As used in this chapter**, "person" means ~~any~~ **an** individual, ~~a~~ partnership, ~~a~~ limited liability company, ~~an~~ association, ~~a~~ corporation, ~~a~~ joint venture, ~~a~~ trust, ~~a~~ receiver, or ~~a~~ trustee in bankruptcy.

[20-1-19-1] Sec. 9. ~~(1)~~ **As used in this chapter**, "postsecondary proprietary educational institution" means ~~any a~~ person doing business in Indiana by offering to the public for a tuition, fee, or charge, instructional or educational services or training in any technical, professional, mechanical, business, or industrial occupation, either in the recipient's home, at a designated location, or by mail. ~~The following are not considered to be postsecondary proprietary educational institutions under this chapter:~~ **term does not include the following:**

(A) ~~Any~~ **An** educational institution established by law and financed in whole or part by public funds.

(B) ~~Any~~ **A** postsecondary proprietary educational institution approved or regulated by any other state regulatory board, agency, or commission.

(C) ~~Any~~ **An** elementary or secondary school attended by students in kindergarten or ~~grades~~ **grade** 1 through **grade** 12, supported in whole or in part by private tuition payments. These elementary and secondary schools are expressly excluded from this chapter.

(D) Any educational institution or educational training that:

(i) is maintained or given by an employer or a group of employers, without charge, for employees or for ~~persons~~ **individuals** the employer anticipates employing;



(ii) is maintained or given by a labor organization, without charge, for its members or apprentices;

(iii) offers exclusively instruction ~~which~~ **that** is clearly self-improvement, motivational, or avocational in intent (including, but not limited to, instruction in dance, music, self-defense, and private tutoring); or

(iv) is a Montessori or nursery school.

(E) ~~Any~~ **A** privately endowed two (2) or four (4) year degree granting institution, regionally accredited, whose principal campus is located in Indiana.

[20-1-19-1.5] Sec. 10. ~~Sec. 1-5:~~ The general assembly recognizes that the private school is an essential part of the educational system. It is the purpose of this chapter to protect students, educational institutions, the general public, and honest and ethical operators of private schools from dishonest and unethical practices.

[20-1-19-2] Sec. 11. ~~Sec. 2:~~ The Indiana commission on proprietary education is established.

[20-1-19-3] Sec. 12. ~~Sec. 3: (Membership)~~ **(a)** The commission ~~shall be composed~~ **consists** of the following seven (7) members:

~~one (1) of whom shall be~~ **(1)** The state superintendent of public instruction or ~~his~~ **the superintendent's** designee.

~~and one (1) of whom shall be~~ **(2)** The executive officer of the commission for higher education or ~~his~~ **the executive officer's** designee.

~~The remaining~~ **(3)** Five (5) members ~~shall be~~ appointed by the governor.

**(b)** The members appointed by the governor under subsection **(a)** serve for a term of four (4) years. ~~except that the first appointments to the commission which shall be made so as to provide one (1) one-year, one (1) two-year, one (1) three-year, and two (2) four-year terms on said commission.~~

**(c)** Not more than three (3) of the members appointed by the governor ~~shall may be from any~~ **members of** one (1) political party.

**(d)** Of the five (5) members appointed by the governor:

**(1)** one (1) ~~shall must~~ have been engaged for a period of not less than five **(5)** years immediately preceding ~~their~~ appointment in an executive or managerial position in a postsecondary proprietary educational institution subject to this chapter;

**(2)** one (1) ~~shall must~~ have been engaged in administering or managing an industrial employee training program for a period of not less than five **(5)** years immediately preceding ~~his~~ appointment; and

**(3)** three (3) shall be representatives of the public at large who are not representatives of the types of postsecondary proprietary educational institutions to be accredited. ~~provided, however, that~~  
~~no~~





1 **For purposes of subdivision (3), an** elected or appointed state or local  
 2 official ~~nor any or a~~ member of a private or public school ~~shall may~~  
 3 **not** be appointed as a representative of the public at large. ~~Any~~

4 **(e) An** appointment to fill a vacancy occurring on the commission  
 5 ~~shall be~~ **is** for the unexpired term.

6 [20-1-19-4] Sec. 13. ~~Sec. 4: (Organization: Powers)~~ **(a)** The  
 7 commission may select ~~such other~~ officers from ~~its~~ **the commission's**  
 8 membership as ~~it deems~~ **the commission considers** necessary.

9 **(b)** The commission may employ and fix compensation for  
 10 necessary administrative staff.

11 **(c)** The commission may adopt reasonable rules ~~and regulations,~~  
 12 **under IC 4-22-2** to implement ~~the intent of~~ this chapter.

13 **(d)** The commission:

14 **(1)** may meet as often as is necessary upon call of the ~~chairman~~  
 15 ~~but meetings~~ **chairperson; and**

16 **(2)** shall ~~be held meet~~ at least four (4) times a year.

17 **(e)** Each ~~eligible~~ member of the commission ~~shall receive per diem~~  
 18 ~~and mileage; who is not a state employee is entitled to the minimum~~  
 19 **salary per diem provided by IC 4-10-11-2.1(b). The member is also**  
 20 **entitled to reimbursement for traveling expenses as provided under**  
 21 **IC 4-13-1-4 and other expenses actually incurred in connection**  
 22 **with the member's duties as provided in the state policies and**  
 23 **procedures established by the Indiana department of**  
 24 **administration and approved by the budget agency.**

25 **(f)** Each member of the commission who is a state employee is  
 26 **entitled to reimbursement for traveling expenses as provided under**  
 27 **IC 4-13-1-4 and other expenses actually incurred in connection**  
 28 **with the member's duties as provided in the state policies and**  
 29 **procedures established by the Indiana department of**  
 30 **administration and approved by the budget agency. [QUERY: OK**  
 31 **TO USE BOILERPLATE IN SUBSECTIONS (E) AND (F)?]**

32 **(g)** The commission may adopt and use a seal, the description of  
 33 which shall be filed with the office of the secretary of state, which may  
 34 be used for the authentication of the acts of the commission.

35 [20-1-19-5] Sec. 14. ~~Sec. 5: (Accreditation) On or after July 1, 1972,~~  
 36 ~~no~~ **A person shall may not** do business as a postsecondary proprietary  
 37 educational institution in ~~the state~~ **Indiana** without having obtained  
 38 accreditation.

39 [20-1-19-6] Sec. 15. ~~Sec. 6: (Applications: Fee)~~ Applications for  
 40 accreditation shall be filed with the commission and accompanied by  
 41 an application fee of ~~not less than~~ **at least** one hundred dollars (\$100)  
 42 for processing the application and evaluating the postsecondary  
 43 proprietary educational institution.

44 [20-1-19-7] Sec. 16. ~~Sec. 7:~~ The application ~~shall~~ **must** include at  
 45 least the following:

46 **(1)** The name and address of the postsecondary proprietary



educational institution and ~~its~~ **the institution's** officers.

(2) The places where the courses are to be provided.

(3) The types of courses to be offered, the form of instruction to be followed with the class, shop, or laboratory, and the hours required for each curriculum.

(4) The form of certificate, diploma, or degree to be awarded.

(5) A statement of the postsecondary proprietary educational ~~institution~~ **institution's** finances.

(6) Physical facilities, including classrooms, laboratories, library, machinery and equipment, toilets, showers, and lavatories.

(7) An explicit statement of policy with reference to:

(A) solicitation of students;

(B) payment and amount of student fees; and

(C) conditions under which students are entitled to a refund in part or in full of fees paid, including a statement concerning the existence of the fund.

(8) Provisions for liability insurance of students.

(9) Maximum student-teacher ratio to be maintained.

(10) Minimum requirements for instructional staff.

[20-1-19-8] Sec. 17. ~~Sec. 8-~~ (a) This section is subject to section ~~8-1~~ **18** of this chapter.

(b) Each application ~~shall~~ **must** include a surety bond in a penal sum determined under section ~~8-1(a)~~ **18(a)** of this chapter. ~~This~~ **The** bond shall be executed by the applicant as principal and by a surety company qualified and authorized to do business in ~~this state~~ **Indiana** as surety or cash bond.

(c) The surety bond ~~shall~~ **must** be conditioned to provide indemnification to any student or enrollee who suffers a loss or damage as a result of:

(1) the failure or neglect of the postsecondary proprietary educational institution to faithfully perform all agreements, express or otherwise, with the student, enrollee, one (1) or both of the parents of the student or enrollee, or a guardian of the student or enrollee as represented by the application for the accreditation and the materials submitted in support of that application;

(2) the failure or neglect of the postsecondary proprietary educational institution to maintain and operate a course or courses of instruction or study in compliance with the standards of this chapter; or

(3) an agent's misrepresentation in procuring the student's enrollment.

(d) A surety on ~~that~~ **a** bond may be released after the surety has made a written notice of the release directed to the commission at least thirty (30) days before the release. However, a surety may not be released from the bond unless all sureties on the bond are released.

(e) The surety bond covers the period of the accreditation.



(f) ~~The~~ An accreditation shall be suspended ~~when that~~ if a postsecondary proprietary educational institution is no longer covered by a surety bond or if the postsecondary proprietary educational institution fails to comply with section ~~8-1~~ 18 of this chapter. The commission shall notify the postsecondary proprietary educational institution in writing at least ten (10) days ~~prior to~~ before the release of the surety or sureties that the accreditation is suspended until another surety bond is filed in the manner and amount required under this chapter.

[20-1-19-8.1] Sec. 18. ~~Sec. 8-1.~~ (a) Subject to subsections (b), (c), (e), and (f), the commission shall determine the penal sum of each surety bond based upon the following guidelines:

(1) ~~At A~~ A postsecondary proprietary educational ~~institutions~~ institution that ~~have~~ has no annual gross tuition charges assessed for the previous year shall secure a surety bond in the amount of five thousand dollars (\$5,000).

(2) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year ~~do are~~ not ~~total~~ more than five thousand dollars (\$5,000), the institution shall secure a surety bond in the amount of one hundred percent (100%) of that institution's annual gross tuition charges assessed for the previous year.

(3) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year are ~~greater more~~ than five thousand dollars (\$5,000) but are not more than fifty thousand dollars (\$50,000), the institution shall secure a surety bond in the amount of five thousand dollars (\$5,000).

(4) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year are ~~greater more~~ than fifty thousand dollars (\$50,000) but are not more than five hundred thousand dollars (\$500,000), the institution shall secure a surety bond in the amount of ten percent (10%) of that institution's annual gross tuition charges assessed for the previous year.

(5) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year are ~~greater more~~ than five hundred thousand dollars (\$500,000), the institution shall secure a surety bond in the amount of fifty thousand dollars (\$50,000).

(b) When a postsecondary proprietary institution is required to contribute to the fund and the fund has a balance on the date that the surety bond is due of at least:

(1) one hundred thousand dollars (\$100,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by twenty percent (20%);

(2) two hundred thousand dollars (\$200,000), the commission



shall reduce the penal sum of the surety bond described in subsection (a) by forty percent (40%);

(3) three hundred thousand dollars (\$300,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by sixty percent (60%);

(4) four hundred thousand dollars (\$400,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by eighty percent (80%); and

(5) five hundred thousand dollars (\$500,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by one hundred percent (100%).

(c) Except as provided in:

(1) section ~~9~~ 22 of this chapter; and

(2) subsection (f);

and upon the fund's achieving at least an initial five hundred thousand dollar (\$500,000) balance, each postsecondary proprietary institution that contributes to the fund when the initial quarterly contribution is required under this chapter after the fund's establishment is not required to make contributions to the fund or submit a surety bond.

(d) The commission shall determine the number of quarterly contributions required for the fund to initially accumulate five hundred thousand dollars (\$500,000).

(e) Except as provided in section ~~9~~ 22 of this chapter and subsection (f), postsecondary proprietary institutions that begin making contributions to the fund after the initial quarterly contribution is required under this chapter are:

(1) required to make contributions to the fund for the same number of quarters as determined by the commission under subsection (d); and

(2) after making the contributions to the fund as provided in subdivision (1) for the required number of quarters, may not be required to submit a surety bond.

(f) If after the fund acquires five hundred thousand dollars (\$500,000) the balance in the fund would become less than one hundred thousand dollars (\$100,000), all postsecondary proprietary institutions not required to make contributions to the fund as described in subsection (c) or (e) shall make contributions to the fund for the number of quarters necessary for the fund to accumulate five hundred thousand dollars (\$500,000).

[20-1-19-8.1] Sec. 19. ~~(g)~~ The commission shall require ~~that~~ each postsecondary proprietary educational institution ~~to~~ include in each curriculum catalog and promotional brochure the following:

(1) A statement indicating that the postsecondary proprietary educational institution is regulated by the commission under this chapter.

(2) The commission's mailing address and telephone number.



[20-1-19-8.2] Sec. 20. ~~Sec. 8-2:~~ (a) The career college student assurance fund is established to provide indemnification to a student or an enrollee of a postsecondary proprietary institution who suffers loss or damage as a result of any of the occurrences described in section ~~8(c)~~ **17(c)** of this chapter if the occurrences transpired ~~after June 30, 1992, and~~ [QUERY: OK TO STRIKE?] as provided in section ~~20-6-37~~ of this chapter.

(b) The fund shall be administered by the commission.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(f) Upon the fund's acquiring twenty-five thousand dollars (\$25,000), the balance in the fund may not become less than twenty-five thousand dollars (\$25,000). If:

(1) a claim against the fund is filed that would, if paid in full, require the balance of the fund to become less than twenty-five thousand dollars (\$25,000); and

(2) the commission determines that the student is eligible for a reimbursement under the fund;

the commission shall prorate the amount of the reimbursement to ensure that the balance of the fund does not become less than twenty-five thousand dollars (\$25,000), and the student is entitled to receive that balance of the student's claim from the fund as money becomes available in the fund from contributions to the fund required under this chapter.

(g) The commission shall ensure that all outstanding claim amounts described under subsection (f) are paid as money in the fund becomes available in the chronological order of the outstanding claims.

(h) A claim against the fund may not be construed to be a debt of the state.

[20-1-19-8.3] Sec. 21. ~~Sec. 8-3:~~ (a) Subject to section ~~8-1~~ **18** of this chapter, each postsecondary proprietary institution shall make quarterly contributions to the fund. The quarters begin January 1, April 1, July 1, and October 1.

(b) For each quarter, each postsecondary proprietary institution shall make a contribution equal to the STEP THREE amount derived under the following formula:

STEP ONE: Determine the ~~aggregate total~~ amount of tuition and fees earned during the quarter.

STEP TWO: Multiply the STEP ONE amount by one-tenth of one percent (0.1%).

STEP THREE: Add the STEP TWO amount and sixty dollars



1 (\$60).

2 (c) Notwithstanding section ~~8-1~~ **18** of this chapter, for a  
 3 postsecondary proprietary institution ~~commencing~~ **beginning** operation  
 4 after July 1, 1992, the commission, in addition to requiring  
 5 contributions to the fund, shall require the postsecondary proprietary  
 6 institution to submit a surety bond in an amount determined by the  
 7 commission for an amount of time that represents the number of  
 8 quarters required for the fund to initially accumulate five hundred  
 9 thousand dollars (\$500,000) as determined under section ~~8-1(d)~~ **18(d)**  
 10 of this chapter.

11 [20-1-19-9] Sec. 22. ~~Sec. 9:~~ (a) Upon receipt of an application, the  
 12 commission shall make an investigation to determine the accuracy of  
 13 the statements in the application to determine if the postsecondary  
 14 proprietary educational institution meets the minimum standards for  
 15 accreditation.

16 (b) During the investigation under subsection (a), the commission  
 17 may grant a temporary status of accreditation. The temporary status of  
 18 accreditation is sufficient to meet the requirements of this chapter until  
 19 a determination on accreditation is made.

20 [20-1-19-9.5] Sec. 23. ~~Sec. 9-5:~~ The cost of performing the team on  
 21 site investigation shall be ~~borne~~ **paid** by the applicant postsecondary  
 22 proprietary educational institution. However, the total cost of ~~any an~~  
 23 inspection including room, board, and mileage ~~which that~~ does not  
 24 ~~necessitate~~ **require** travel outside Indiana may not exceed one  
 25 thousand dollars (\$1,000) for any one (1) postsecondary proprietary  
 26 educational institution.

27 [20-1-19-9.6] Sec. 24. ~~Sec. 9-6:~~ (a) ~~Each~~ **A** postsecondary  
 28 proprietary institution shall maintain at least the following records for  
 29 each student:

- 30 (1) The program in which the student enrolls.
- 31 (2) The length of the program.
- 32 (3) The date of the student's initial enrollment in the program.
- 33 (4) The student's period of attendance.
- 34 (5) The amount of the student's tuition and fees.
- 35 (6) A copy of the enrollment agreement.

36 (b) Upon the request of the commission, a postsecondary proprietary  
 37 institution shall submit the records described in subsection (a) to the  
 38 commission.

39 (c) If the postsecondary proprietary institution ceases operation, the  
 40 postsecondary proprietary institution shall submit the records described  
 41 in subsection (a) to the commission not later than thirty (30) days after  
 42 the institution ceases to operate.

43 [20-1-19-10] Sec. 25. ~~Sec. 10:~~ Full accreditation may not be issued  
 44 unless and until the commission finds that the postsecondary  
 45 proprietary educational institution meets minimum standards that are  
 46 appropriate to that type or class of postsecondary proprietary



educational institution, including the following minimum standards:

(1) The postsecondary proprietary educational institution has a sound financial structure with sufficient resources for ~~its~~ continued support.

(2) The postsecondary proprietary educational institution has satisfactory training or educational facilities with sufficient tools, supplies, or equipment and the necessary number of work stations or classrooms to adequately train, instruct, or educate the number of students enrolled or proposed to be enrolled.

(3) The postsecondary proprietary educational institution has an adequate number of qualified instructors or teachers, sufficiently trained by experience or education, to give the instruction, education, or training contemplated.

(4) The advertising and representations made on behalf of the postsecondary proprietary educational institution to prospective students are truthful and free from misrepresentation or fraud.

(5) The charge made for the training, instruction, or education is clearly stated and based upon the services rendered.

(6) The premises and conditions under which the students work and study are sanitary, healthful, and safe according to modern standards.

(7) The postsecondary proprietary educational institution has and follows a refund policy approved by the commission.

[20-1-19-11] Sec. 26. ~~Sec. 11.~~ (a) After investigation and a finding that the information in the application is true and the postsecondary proprietary educational institution meets the minimum standards, the commission shall issue an accreditation to the postsecondary proprietary educational institution upon payment of an additional fee of not less than twenty-five dollars (\$25).

(b) The commission may waive inspection of ~~any~~ a postsecondary proprietary educational institution ~~which that~~ has been accredited by an accrediting unit whose standards are approved by the commission as meeting or exceeding the requirements of this chapter.

(c) A valid license, approval to operate, or other form of accreditation issued to a postsecondary proprietary educational institution by another state may be accepted, ~~in lieu~~ instead of inspection, if:

(1) the requirements of that state meet or exceed the requirements of this chapter; and

(2) the other state will, in turn, extend reciprocity to postsecondary proprietary educational institutions accredited by the commission.

(d) ~~Every~~ An accreditation issued **under this section** expires one (1) year following ~~its the accreditation's~~ issuance.

(e) ~~Any~~ An accredited postsecondary proprietary educational institution may renew ~~its the institution's~~ accreditation annually upon:



(1) the payment of a fee of not less than twenty-five dollars (\$25);  
and

(2) continued compliance with this chapter.

[20-1-19-12] Sec. 27. ~~Sec. 12:~~ Accreditation may be revoked by the commission:

(1) for cause upon notice and an opportunity for a commission hearing; and

(2) for failing to make the appropriate quarterly contributions to the fund not later than forty-five (45) days after the end of a quarter.

[20-1-19-13] Sec. 28. ~~Sec. 13: (Hearing)~~ **Any (a) A** postsecondary proprietary educational institution, after notification that ~~its the~~ **institution's** accreditation has been refused, revoked, or suspended, may apply for a hearing before the commission concerning ~~its the~~ **institution's** qualifications. The application for a hearing must be filed in writing with the commission ~~within not later than~~ **thirty (30) days** after receipt of notice of the denial, revocation, or suspension.

**(b) The commission shall give a hearing promptly and with at least not less than ten (10) day's days notice of the date, time, and place.** The postsecondary proprietary educational institution is entitled to be represented by counsel and to offer oral and documentary evidence relevant to the issue.

**(c) The commission shall within not less than fifteen (15) days after that a hearing make written findings of fact, a written decision, and a written order based solely on the evidence submitted at such the hearing, either granting or denying accreditation to the postsecondary proprietary educational institution.**

[20-1-19-14] Sec. 29. ~~Sec. 14: (Suspension)~~ **The A postsecondary proprietary educational institution's** accreditation shall be suspended at any time ~~when any if the~~ **accredited postsecondary proprietary educational institution denies enrollment to any pupil, a student or makes any a distinction or classification of pupils students** on the basis of race, color, or creed.

[20-1-19-15] Sec. 30. ~~Sec. 15: (Representations)~~ **No person shall: A person may not do the following:**

**(a) (1) Make, or cause to be made, any a statement or representation, oral, written, or visual, in connection with the offering or publicizing of a course, that that if the person knows or should reasonably know the statement or representation to be is false, deceptive, substantially inaccurate, or misleading.**

**(b) (2) Promise or guarantee employment utilizing using information, training, or skill purported to be provided or otherwise enhanced by a course, unless that the person shall offer offers that student or prospective student a bona fide contract of employment agreeing to employ that student or prospective student for a period of not less than ninety (90) days in a business**





or other enterprise regularly conducted by ~~him~~ **the person** in which that information, training, or skill is a normal condition of employment.

~~(c)~~ **(3)** Do ~~any an~~ act ~~constituting that constitutes~~ part of the conduct of administration of a course if ~~he~~ **the person** knows, or should reasonably know, that the course is being carried on by the use of fraud, deception, or other misrepresentation.

[20-1-19-16] Sec. 31. ~~Sec. 16:~~ (a) A person representing ~~any a~~ postsecondary proprietary educational institution doing business in Indiana by offering courses ~~shall may~~ not sell ~~any a~~ course or solicit students for the institution unless the person first secures an agent's permit from the commission. If the agent represents more than one (1) postsecondary proprietary educational institution, a separate agent's permit must be obtained for each institution that the agent represents.

(b) Upon approval of an agent's permit, the commission shall issue a pocket card to the person that includes:

- (1) the person's name and address;
- (2) the name and address of the postsecondary proprietary educational institution that the person represents; and
- (3) a statement certifying that the person whose name appears on the card is an authorized agent of the postsecondary proprietary educational institution.

(c) The application ~~shall must~~ be accompanied by a fee of not less than ten dollars (\$10).

(d) An agent's permit is valid for one (1) year from the date of its issue. An application for renewal must be accompanied by a fee of not less than ten dollars (\$10).

(e) A postsecondary proprietary educational institution is liable for the actions of ~~its~~ **the institution's** agents.

[20-1-19-17] Sec. 32. ~~Sec. 17: (Temporary Permit)~~ **Any (a) An application for an agent's permit applied for shall must** be granted or denied by the commission ~~within~~ **not later than** fifteen (15) working days ~~of after~~ the receipt of the application. If the commission has not completed ~~its a~~ determination with respect to the issuance of a permit ~~pursuant to under~~ this section within ~~such the~~ fifteen (15) working day period, ~~it the~~ **commission** shall issue a temporary permit to the applicant. ~~This~~ **The** temporary permit ~~shall be~~ **is** sufficient to meet the requirements of this chapter until ~~such time as such a~~ determination is made ~~Any on the application.~~

**(b)** A permit issued **under this chapter** may upon ten (10) days notice and after a hearing be revoked by the commission:

- (1)** if the holder of the permit solicits or enrolls students through fraud, deception, or misrepresentation; or
- (2)** upon a finding that the permit holder is not of good moral character.

[20-1-19-18] Sec. 33. ~~Sec. 18:~~ The fact that a bond is in force or that



the fund exists ~~shall~~ **does** not limit or impair ~~any a~~ right of recovery and the amount of damages or other relief to which ~~any a~~ plaintiff may be entitled.

[20-1-19-19] Sec. 34. ~~Sec. 19: (Remedy)~~ **Any** An obligation, negotiable or non-negotiable, providing for payment for a course or courses of instruction ~~shall be~~ **is** void if the postsecondary proprietary educational institution is not accredited to operate in ~~the State of~~ Indiana.

[20-1-19-20] Sec. 35. ~~Sec. 20: (Misrepresentation)~~ The issuance of an agent's permit or any accreditation ~~shall~~ **may** not be ~~deemed~~ **considered** to constitute approval of ~~any a~~ course, a person, or ~~an~~ institution. ~~offering, conducting or otherwise administering the same.~~ **Any** A representation to the contrary ~~shall be~~ **is** a misrepresentation.

[20-1-19-20.5] Sec. 36. ~~Sec. 20.5:~~ (a) This section applies to claims against the surety bond of a postsecondary proprietary institution.

(b) A student who believes that the student is suffering loss or damage resulting from any of the occurrences described in section ~~8(c)~~ **17(c)** of this chapter, may request the commission to file a claim against the surety of the postsecondary proprietary educational institution or agent. [QUERY: SHOULD "AN ENROLLEE" BE ADDED AFTER STUDENT FOR CONSISTENCY WITH OTHER REFERENCES?]

(c) The request must state the grounds for the claim and must include material substantiating the claim.

(d) The commission shall investigate all claims submitted to ~~it the~~ **the commission** and attempt to resolve ~~them the claims~~ **informally**. If ~~the~~ **a** claim is determined to be valid by the commission and an informal resolution cannot be made, the commission shall submit a formal claim to the surety.

(e) A claim against the surety bond may not be filed by the commission unless the student's request under subsection (b) is commenced ~~within not later than~~ **five** (5) years after the date on which the loss or damage occurred.

(f) If the amount of the surety bond is insufficient to cover all or part of the claim, a claim or the balance of the claim against the surety bond in the amount that is insufficient shall be construed to be a claim against the balance of the fund under section ~~20-6 37~~ of this chapter.

[20-1-19-20.6] Sec. 37. ~~Sec. 20.6:~~ (a) This section applies:

(1) to claims against the balance of the fund; and

(2) in cases where a student or an enrollee of a postsecondary proprietary institution is protected by both a surety bond and the balance of the fund, only after a claim against the surety bond exceeds the amount of the surety bond.

(b) A student or an enrollee of a postsecondary proprietary institution who believes that the student or enrollee has suffered loss or damage resulting from any of the occurrences described in section ~~8(c)~~



17(c) of this chapter may request the commission to file a claim with the commission against the balance of the fund. If there is a surety bond in an amount sufficient to cover a claim or part of a claim under this section, a claim against the balance of the fund shall be construed to be a claim against the surety bond first to the extent that the amount of the surety bond exists and the balance of the claim may be filed against the balance of the fund.

(c) A claim under this section is limited to a refund of the claimant's applicable tuition and fees.

(d) All claims must be filed not later than five (5) years after the occurrence resulting in the loss or damage to the claimant occurs.

(e) Upon the filing of a claim under this section, the commission shall review the records submitted by the appropriate postsecondary proprietary institution described under section 9-6 24 of this chapter and shall investigate the claim and attempt to resolve the claim as described in section 20-5(d) 36(d) of this chapter.

(f) Upon a determination by the commission that a claimant shall be reimbursed under the fund, the commission shall prioritize the reimbursements in compliance with under the following guidelines:

(1) A student's educational loan balances.

(2) Federal grant repayment obligations of the student.

(3) Other expenses paid directly by the student.

[20-1-19-21] Sec. 38. ~~Sec. 21: (Relief: Injunction)~~ The prosecuting attorney of the county in which the offense occurred shall, at the request of the commission or on his the prosecuting attorney's own motion, bring any appropriate action, including but not limited to a mandatory and prohibitive injunction.

[20-1-19-22] Sec. 39. ~~Sec. 22: Any~~ An action of the commission respecting the issuance, denial, or revocation of a permit or accreditation pursuant to this chapter shall be is subject to review in accordance with under IC 4-21.5.

[20-1-19-23] Sec. 40. ~~Sec. 23:~~ (a) Except as provided in subsection (b), a person who violates this chapter commits a Class B misdemeanor. except as provided in subsection (b) of this section: [QUERY: ADD A CULPABILITY STANDARD?]

(b) A person who, with intent to defraud, represents himself the person to be an agent of a postsecondary proprietary educational institution commits a Class C felony.

[20-1-19-24] Sec. 41. ~~Sec. 24: Collection of Fees:~~ All fees collected by the commission shall be deposited in the state general fund. of the state of Indiana.

SECTION 13. IC 21-1-31 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

### Chapter 31. School Technology Advancement Account

[20-10.1-6.5-1] Sec. 1. As used in this chapter, "advancement fund"



**account"** refers to the school technology advancement account ~~as created under established by~~ section 4 of this chapter.

[20-10.1-6.5-1] Sec. 2. **As used in this chapter,** "board" refers to the **Indiana** state board of education established under IC 20-1-1-1[??].

[20-10.1-6.5-1] Sec. 3. **As used in this chapter,** "school corporation" means ~~any a~~ corporation authorized by law to establish public schools and levy taxes. ~~for their maintenance.~~

[20-10.1-6.5-4] Sec. 4. (a) The school technology advancement account is established within the common school fund. On July 1 of each year, there is appropriated to the account an amount of money equal to:

(1) five million dollars (\$5,000,000); minus

(2) the amount of money in the account on June 30 of the same year.

(b) Advancements of money from the ~~school technology~~ advancement account may be made to a school corporation to:

(1) purchase computer hardware and software used primarily for student instruction; and

(2) develop and implement innovative technology projects.

(c) Money ~~shall~~ **must** be advanced under this section in accordance with IC 21-1-5-5, IC 21-1-5-7, and IC 21-1-5-8.

[20-10.1-6.5-5] Sec. 5. The board shall adopt rules under IC 4-22-2 concerning:

(1) the criteria and priorities for awarding grants and advancements under this chapter;

(2) the terms and conditions of advancements made under this chapter; and

(3) any additional matters necessary for the implementation of this chapter.

SECTION 14. IC 21-1-32 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

#### **Chapter 32. Charter School Advancement Account**

**[new] Sec. 1. As used in this chapter, "board" refers to the Indiana state board of education established under IC 20-19-2-2.**

**[new] Sec. 2. As used in this chapter, "charter school" refers to a school established under IC 20-24.**

**[new] Sec. 3. As used in this chapter, "department" refers to the department of education established under IC 20-19-3-1.**

[20-5.5-7.5-2] Sec. 4. ~~Sec. 2:~~ As used in this chapter, "operational costs" means costs other than construction costs incurred by:

(1) a charter school other than a conversion charter school during the second six (6) months of the calendar year in which the charter school begins its initial operation; or

(2) a charter school, including a conversion charter school, during the second six (6) months of a calendar year in which the charter



1 school's most recent enrollment reported under  
 2 IC 20-5.5-7-3(a)[??] divided by the charter school's previous  
 3 year's ADM is at least one and fifteen-hundredths (1.15).

4 [20-5.5-7.5-1] Sec. 5. ~~Sec. 4:~~ The charter school advancement  
 5 account is established within the common school fund.

6 [20-5.5-7.5-3] Sec. 6. ~~Sec. 3:~~ The board shall advance money to  
 7 charter schools from the charter school advancement account to be  
 8 used for operational costs.

9 [20-5.5-7.5-4] Sec. 7. ~~Sec. 4:~~ (a) The amount of an advance under  
 10 section ~~3~~ 6 of this chapter for operational costs described in section  
 11 ~~2(1)~~ 4(1) of this chapter may not exceed the amount determined under  
 12 STEP THREE of the following formula:

13 STEP ONE: Determine the product of:

14 (A) the charter school's enrollment reported under  
 15 IC 20-5.5-7-3(a);[??] multiplied by

16 (B) the target revenue per ADM determined under  
 17 IC 21-3-1.7-6.7(d) or IC 21-3-1.7-6.7(e) for the charter school.

18 STEP TWO: Determine the quotient of:

19 (A) the STEP ONE amount; divided by

20 (B) two (2).

21 STEP THREE: Determine the product of:

22 (A) the STEP TWO amount; multiplied by

23 (B) one and fifteen-hundredths (1.15).

24 (b) The amount of an advance under section ~~3~~ 6 of this chapter for  
 25 operational costs described in section ~~2(2)~~ 4(2) of this chapter may not  
 26 exceed the amount determined under STEP FOUR of the following  
 27 formula:

28 STEP ONE: Determine the quotient of:

29 (A) the target revenue per ADM determined under  
 30 IC 21-3-1.7-6.7(d) or IC 21-3-1.7-6.7(e) for the charter school;  
 31 divided by

32 (B) two (2).

33 STEP TWO: Determine the difference between:

34 (A) the charter school's current ADM; minus

35 (B) the charter school's ADM of the previous year.

36 STEP THREE: Determine the product of:

37 (A) the STEP ONE amount; multiplied by

38 (B) the STEP TWO amount.

39 STEP FOUR: Determine the product of:

40 (A) the STEP THREE amount; multiplied by

41 (B) one and fifteen-hundredths (1.15).

42 [20-5.5-7.5-5] Sec. 8. ~~Sec. 5:~~ (a) Money advanced to a charter  
 43 school under this chapter may be advanced for a ~~period not to exceed~~  
 44 **not more than** twenty (20) years. A charter school to which money is  
 45 advanced under this chapter must pay interest on the advance at the  
 46 rate determined under section ~~6~~ 9 of this chapter. The board shall



provide that the advances are prepayable by the charter school or by the general assembly at any time.

(b) This subsection applies if the general assembly prepays an advance ~~of money~~ under this chapter. ~~Any~~ **A** prepayment under this subsection must be deducted from the amount appropriated for distributions under IC 21-3-1.7.

(c) The board, after consulting with the department and upon approval of the budget agency, shall establish the terms of an advance before the date on which the advance is made. The terms must include a provision allowing the state to withhold funds due to a charter school to which an advance is made until the advance, including interest accrued on the advance, is paid.

[20-5.5-7.5-6] Sec. 9. ~~Sec. 6:~~ The state board of finance shall establish periodically the rate of interest payable on advances ~~of money~~ under this chapter. An interest rate established under this section may not:

(1) be less than one percent (1%); ~~and or~~

(2) exceed four percent (4%).

[20-5.5-7.5-7] Sec. 10. ~~Sec. 7:~~ (a) To ensure timely payment of an advance under this chapter according to the terms of the advance, the state may withhold from funds due to the charter school to which the advance is made an amount necessary to pay the advance and the interest on the advance.

(b) If the state withholds funds under subsection (a), the state first shall withhold funds from the distribution of state tuition support to the charter school to which the advance is made. If the tuition support distribution is unavailable or inadequate, the state may withhold funds from any other distribution of state funds to the charter school.

[20-5.5-7.5-8] Sec. 11. ~~Sec. 8:~~ A charter school that desires to obtain an advance under this chapter must submit an application to the board on a form prescribed by the board after ~~consulting the board~~ **consults** with the department and the budget agency ~~for the board~~ to determine the amount of the advance, **as required by section 8(c) of this chapter.**

[20-5.5-7.5-9] Sec. 12. ~~Sec. 9:~~ (a) An advance under this chapter to a charter school is not an obligation of the charter school within the meaning of ~~any~~ **a** constitutional limitation on or prohibition against indebtedness. This chapter does not relieve the organizer of the charter school **of the duty** to qualify the charter school for state tuition support.

(b) An agreement with the board to collect and pay over amounts deducted from state tuition support for the benefit of another party is not a debt of the state within the meaning of ~~any~~ **a** constitutional limitation on or prohibition against state indebtedness.

[20-5.5-7.5-10] Sec. 13. ~~Sec. 10:~~ Priority of advances for operational costs must be on a basis determined by the board after consulting with



1 the department and the budget agency.

2 SECTION 15. IC 21-2-19 IS ADDED TO THE INDIANA CODE  
3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 2005]:

5 **Chapter 19. Self-Insurance Programs**

6 [20-5-2.5-1] Sec. 1. ~~(a)~~ As used in this chapter, "health care  
7 services" has the meaning set forth in IC 27-8-11-1.

8 [20-5-2.5-1] Sec. 2. ~~(b)~~ As used in this chapter, "self-insurance  
9 program" means a program of self-insurance established or maintained  
10 by a governing body to provide coverage for health care services to a  
11 school corporation's employees and the employees' dependents.

12 [20-5-2.5-2] Sec. 3. ~~Sec. 2.~~ Subject to ~~IC 20-5-2-2(14)~~  
13 **IC 20-5-2-2(16)[??]** and IC 21-2-5.6 and notwithstanding any other  
14 law, ~~any~~ a self-insurance program must comply with this chapter.

15 [20-5-2.5-3] Sec. 4. ~~Sec. 3:~~ (a) A self-insurance program must  
16 provide for appeals to a review panel to:

17 (1) hear complaints; and

18 (2) resolve concerns;

19 regarding issues related to coverage, coverage discrimination, and  
20 access under the self-insurance program.

21 (b) The composition of the review panel under subsection (a):

22 (1) must reflect the populations covered under the self-insurance  
23 program;

24 (2) may include a member representative of each covered  
25 population; and

26 (3) must maintain a balance of administration and  
27 nonadministration members.

28 (c) Self-insurance program documents provided to individuals  
29 covered under the self-insurance program must specify the appeal  
30 process including the name, address, and telephone number of the  
31 individual with whom an appeal may be filed.

32 [20-5-2.5-4] Sec. 5. ~~Sec. 4:~~ (a) A self-insurance program must be  
33 written on an incurred claims basis.

34 (b) The governing body must fund a self-insurance program as  
35 described in IC 21-2-5.6-1(2) to include coverage for all eligible  
36 incurred claims.

37 (c) Subject to IC 21-2-5.6 and notwithstanding any other law:

38 (1) contributions made on behalf of individuals covered under the  
39 self-insurance program, including employee and employer  
40 contributions; and

41 (2) transfers or allocations of funds by a governing body;  
42 for coverage for health care services under a self-insurance program  
43 must be directly deposited into the self-insurance fund established  
44 under IC 21-2-5.6-1(2) and may not be transferred to other accounts or  
45 expended for any other purpose.

46 SECTION 16. IC 21-2-20 IS ADDED TO THE INDIANA CODE



AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
JULY 1, 2005]:

**Chapter 20. Funding of Retirement or Severance Plan**

[20-5-64-1] Sec. 1. This chapter applies to a school corporation that:

- (1) after June 30, 2001, establishes a retirement or severance plan that will require the school corporation to pay post-retirement or severance benefits to employees of the school corporation; or
- (2) includes in a collective bargaining agreement or other contract entered into after June 30, 2001, ~~any provisions~~ **a provision** to increase:

- (A) the benefit; or

- (B) the unfunded liability;

under ~~any~~ **a** retirement or severance ~~provisions~~ **provision** that will require the school corporation to pay post-retirement or severance benefits to employees of the school corporation.

[20-5-64-2] Sec. 2. (a) A school corporation must fund on an actuarially sound basis the post-retirement or severance benefits that will be paid to employees under a plan, an agreement, or a contract described in section 1(1) of this chapter or an increase described in section 1(2) of this chapter.

(b) A school corporation must place the assets used to fund on an actuarially sound basis the post-retirement or severance benefits in a separate fund or account, and the school corporation may not commingle the assets in the separate fund or account with any other assets of the school corporation.

SECTION 17. IC 21-2-21 IS ADDED TO THE INDIANA CODE  
AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
JULY 1, 2005]:

**Chapter 21. Borrowing and Bonds**

[20-5-4-1] Sec. 1. (a) **For purposes of this section, "improvement of real estate" includes:**

- (1) construction, reconstruction, remodeling, alteration, or repair of buildings, or additions to buildings;
- (2) equipment related to activities specified in subdivision (1);
- and

- (3) auxiliary facilities related to activities specified in subdivision (1), including facilities for:

- (A) furnishing water, gas, and electricity;

- (B) carrying and disposing of sewage and storm and surface water drainage;

- (C) housing of school owned buses;

- (D) landscaping of grounds; and

- (E) construction of walks, drives, parking areas, playgrounds, or facilities for physical training.

(b) ~~A school corporations are~~ **corporation is** authorized to issue bonds ~~for the purpose of paying to pay~~ the:





- (1) cost of acquisition **and** improvement of real estate for school purposes; ~~the~~
- (2) funding of judgments; ~~and/or~~
- (3) purchase of school buses; and ~~all~~
- (4) incidental expenses incurred in connection ~~therewith~~ **with** and on account of the issuance of ~~such the~~ bonds.

~~Improvement of real estate shall include, but not be limited to, construction, reconstruction, remodeling, alteration, or repair of buildings, parts of buildings or additions to buildings, equipment thereof, auxiliary facilities therefor, including but not limited to facilities for furnishing water, gas and electricity, carrying and disposing of sewage and storm and surface water drainage, housing of school owned buses, landscaping of grounds, construction of walks, drives, parking areas, playgrounds or facilities for physical training.~~

[20-5-4-2] Sec. 2. (a) Bonds authorized by IC 20-5-1[??] through IC 20-5-6[??] ~~shall~~ **must** be payable in ~~such~~ amounts **and** at ~~such the~~ times and ~~place or places as determined by~~ the governing body. ~~may determine.~~

(b) Bonds issued for the funding of judgments or for the purchase of school buses shall mature not more than five (5) years from the date of ~~such the~~ bonds. Bonds issued for other purposes ~~shall~~ **must** mature not more than twenty-five (25) years from the date of ~~such the~~ bonds.

(c) The governing body may provide that principal and interest of the bonds ~~shall be~~ **are** payable at a bank ~~within the state of in~~ Indiana and may also be payable at the option of the holder at ~~such other another~~ bank ~~or banks as may be~~ designated by the governing body, either before or after sale.

(d) The governing body ~~shall be authorized to~~ **may** pay the fees of ~~such the~~ bank paying agent, ~~or agents,~~ and shall deposit with the paying agent, ~~or agents,~~ if any, ~~on or~~ within a reasonable period before the date ~~any that~~ principal and interest ~~shall~~ become due sufficient money for the payment of ~~such the~~ principal and interest on the due ~~dates thereof: date.~~

[20-5-4-3] Sec. 3. Bonds issued by a school corporation ~~shall~~ **must** be sold at:

- (1) not less than par value; ~~at~~
- (2) public sale as provided by IC 5-1-11; ~~at and~~
- (3) any rate or rates of interest determined by the bidding.

If the net interest cost exceeds eight percent (8%) per year, the bonds ~~shall~~ **must** not be issued until ~~such the~~ issuance is approved by the department of local government finance.

[20-5-4-4] Sec. 4. (a) Bonds shall be executed in the name and on behalf of the school corporation by the president and secretary of the governing board. One (1) of ~~such the~~ signatures may be by facsimile imprinted ~~thereon, on a bond instrument,~~ but at least one (1) of ~~such the~~ signatures shall be manually affixed. The secretary of the governing



board shall cause the seal of the school corporation to be impressed, or a facsimile ~~thereof of the seal~~ printed, on each ~~of the bonds. The bond.~~ Interest coupons, if any, shall be executed by the facsimile signature of the treasurer of the governing board.

(b) ~~If all or any of such officers shall cease the president, secretary, or treasurer of the governing body ceases to be such officers the president, secretary, or treasurer for any reason after they have so the officer has executed such bonds under this section but before such the bonds have been delivered to the purchaser or purchasers thereof; of the bonds, the bonds shall nevertheless be are~~ binding and valid obligations as if ~~such officers the officer~~ were in office at the time of delivery. The treasurer of the governing body shall cause ~~such the~~ bonds to be delivered to the purchaser or purchasers ~~thereof and shall receive payment therefor. for the bonds.~~

[20-5-4-5] Sec. 5. (a) The governing body shall provide for the payment of principal and interest of ~~such~~ bonds **executed under section 4 of this chapter** by levying annually a tax **that is** sufficient to pay the principal and interest as ~~they shall the bonds~~ become due.

(b) The bodies charged with the review of budgets and tax levies shall review ~~such a~~ levy for principal and interest **described in subsection (a)** to ascertain ~~that such whether the~~ levy is sufficient. for ~~such purposes.~~

[20-5-4-6] Sec. 6. (a) **This section applies if the a governing board shall find, body finds** by written resolution that an emergency exists ~~which that~~ requires the expenditure of ~~any~~ money for ~~any a~~ lawful corporate purpose ~~which that~~ was not included in ~~its the school corporation's~~ existing budget and tax levy. ~~it~~

(b) **If a governing body makes a finding specified in subsection (a), the governing body** may authorize the making of an emergency loan ~~which that~~ may be evidenced by the issuance of ~~its school corporation's~~ note ~~or notes~~ in the same manner and subject to the same procedure and restrictions as provided for the issuance of ~~its the school corporation's~~ bonds, except as to purpose.

(c) **If a governing body authorizes an emergency loan as specified in subsection (b), the governing body shall,** at the time for making the next annual budget and tax levy for ~~such the~~ school corporation, ~~the governing body shall~~ make a levy to the credit of the fund for which ~~such the~~ expenditure is made sufficient to pay ~~such the~~ debt and the interest ~~thereon; on the debt.~~ However, the interest on the loan may be paid from the debt service fund.

[20-5-4-7] Sec. 7. The provisions of all general statutes and rules relating to:

- (1) filing of petitions requesting the issuance of bonds and giving notice ~~thereof; of the issuance of bonds;~~
- (2) giving notice of determination to issue bonds;
- (3) giving notice of a hearing on the appropriation of the proceeds



of the bonds and the right of taxpayers to appear and be heard on the proposed appropriation;

(4) the approval of the appropriation by the department of local government finance; and

(5) the right of taxpayers to remonstrate against the issuance of bonds; ~~shall be applicable~~

**apply** to proceedings for the issuance of bonds and the making of an emergency loan under IC 20-5-1[??] through IC 20-5-6.[??] ~~No An~~ action to contest the validity of ~~such the~~ bonds or emergency loans ~~shall may not~~ be brought later than five (5) days after the acceptance of a bid for the sale ~~thereof. of the bonds.~~

[20-5-4-8] Sec. 8. (a) ~~Whenever~~ **If** the governing ~~board body~~ of a school corporation finds and declares that an emergency exists for the borrowing of money with which to pay current expenses from a particular fund before the receipt of revenues from taxes levied or state tuition support distributions for ~~such the~~ fund, the governing ~~board~~ **body** may issue warrants in anticipation of the receipt of ~~said the~~ revenues.

(b) The principal of ~~these~~ warrants ~~shall be issued under subsection (a)~~ is payable solely from the fund for which the taxes are levied or from the **school corporation's** general fund in the case of anticipated state tuition support distributions. However, the interest on ~~these the~~ warrants may be paid from the debt service fund, from the fund for which the taxes are levied, or the general fund in the case of anticipated state tuition support distributions.

(c) The amount of principal of temporary loans maturing on or before June 30 for any fund ~~shall may~~ not exceed eighty percent (80%) of the amount of taxes and state tuition support distributions estimated to be collected or received for and distributed to the fund at the June settlement.

(d) The amount of principal of temporary loans maturing after June 30, and on or before December 31, ~~shall may~~ not exceed eighty percent (80%) of the amount of taxes and state tuition support distributions estimated to be collected or received for and distributed to the fund at the December settlement.

(e) At each settlement, the amount of taxes and state tuition support distributions estimated to be collected or received for and distributed to the fund includes ~~any~~ allocations to the fund from the property tax replacement fund.

(f) The **county auditor or the auditor's deputy shall determine** the estimated amount of taxes and state tuition support distributions to be collected or received and distributed. ~~shall be made by the county auditor or the auditor's deputy.~~ The warrants evidencing ~~any a~~ loan in anticipation of tax revenue or state tuition support distributions ~~shall may~~ not be delivered to the purchaser of the warrant nor payment made on the warrant before January 1 of the year the loan is to be repaid.



1 However, the proceedings necessary to the loan may be held and  
 2 carried out before January 1 and before the approval. The loan may be  
 3 made even though a part of the last preceding June or December  
 4 settlement has not yet been received.

5 (g) Proceedings for the issuance and sale of warrants for more than  
 6 one (1) fund may be combined. ~~but~~ Separate warrants for each fund  
 7 ~~shall must~~ be issued and each warrant ~~shall must~~ state on ~~its the~~ face  
 8 **of the warrant** the fund from which ~~its the warrant's~~ principal is  
 9 payable. ~~No An~~ action to contest the validity of ~~such warrants shall a~~  
 10 **warrant may not** be brought later than fifteen (15) days from the first  
 11 publication of notice of sale.

12 (h) ~~No An~~ issue of tax or state tuition support anticipation warrants  
 13 ~~shall may not~~ be made if the ~~aggregate total~~ of all ~~these tax or state~~  
 14 **tuition support anticipation** warrants ~~exceed exceeds~~ twenty  
 15 thousand dollars (\$20,000) until the issuance is advertised for sale, bids  
 16 **are** received, and an award **is** made by the governing board as required  
 17 for the sale of bonds, except that the ~~sale publication of~~ notice ~~need~~  
 18 **not be published of the sale is not necessary:**

19 (1) outside ~~of~~ the county; ~~nor or~~

20 (2) more than ten (10) days before the date of sale.

21 [20-5-4-9] Sec. 9. Temporary transfers of funds by ~~any a~~ school  
 22 corporation may be made as authorized by IC 36-1-8-4.

23 [20-5-4-10] Sec. 10. ~~(1) Prior to~~ (a) **As used in this section, "debt**  
 24 **service obligations" refers to the principal and interest payable**  
 25 **during a calendar year on a school corporation's general obligation**  
 26 **bonds and lease rentals under IC 21-5-11 and IC 21-5-12.**

27 (b) **Before** the end of each calendar year, the department of local  
 28 government finance shall review the bond and lease rental levies, or  
 29 any levies ~~which that~~ replace ~~such bond and lease rental~~ levies, of  
 30 each school corporation, **that are** payable in the next succeeding year,  
 31 and the appropriations from ~~such the~~ levies from which the school  
 32 corporation is to pay the amount, if any, ~~of principal and interest on its~~  
 33 ~~general obligation bonds and of its lease rentals under IC 21-5-11~~  
 34 ~~through IC 21-5-12; during such succeeding year (such amounts being~~  
 35 ~~referred to in this section as its "debt service obligations")~~. **In the event**  
 36 **such of the school corporation's debt service obligations. If the**  
 37 levies and appropriations of the school corporation are not sufficient to  
 38 pay the debt service obligations, the department of local government  
 39 finance shall establish for each school corporation bond and lease,  
 40 rental levies, or any levies ~~which that~~ replace ~~such the bond and lease~~  
 41 **rental** levies and appropriations ~~which that~~ are sufficient to pay ~~such~~  
 42 **the debt service obligations.**

43 ~~(2)~~ (c) Upon the failure of ~~any a~~ school corporation to pay any of ~~its~~  
 44 **the school corporation's** debt service obligations during ~~any a~~  
 45 a calendar year when due, the treasurer of state, upon being notified of  
 46 ~~such the~~ failure by ~~any a~~ claimant, shall ~~make such payment~~ **pay the**



**unpaid debt service obligations that are due** from the funds of the state **only** to the extent ~~but not in excess~~, of **any the** amounts appropriated by the general assembly for the calendar year for distribution to ~~such the~~ school corporation from state funds, deducting ~~such the~~ payment from ~~such the~~ **appropriated** amounts. ~~thus appropriated. Such deducting being~~ **A deduction under this subsection must be** made first from property tax relief funds to the extent ~~thereof, of the property tax relief funds~~, second from all other funds except tuition support, and third from tuition support.

~~(3)~~ **(d)** This section shall be interpreted liberally so that the state ~~of Indiana~~ shall to the extent legally valid ensure that the debt service obligations of each school corporation shall ~~be~~ **are** paid. ~~but nothing contained in~~ **However**, this section ~~shall be construed to~~ **does not** create a debt of the state. ~~of Indiana.~~

SECTION 18. IC 22-4.1-10 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

**Chapter 10. Office of Workforce Literacy**

[20-11-6-6] Sec. 1. ~~Sec. 6:~~ (a) The governor shall establish an office of workforce literacy within the department ~~of workforce development~~ to:

- (1) oversee the development of workforce literacy programs in Indiana;
- (2) target available funds for workforce basic skill improvement programs;
- (3) develop methods for motivating adults and employers in workforce literacy and basic skill improvement; and
- (4) provide a clearinghouse of information pertaining to workforce literacy.

[20-11-6-6] Sec. 2. ~~(b)~~ The office of workforce literacy ~~within the department of workforce development~~ has the following duties:

- (1) Develop certain performance standards as the standards relate to workforce literacy initiatives.
- (2) Develop a common data base, reporting system, and evaluation system relating to basic skills programs.
- (3) Establish an application process for basic skills training providers that emphasizes performance based outcomes.

SECTION 19. IC 22-4.1-11 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

**Chapter 11. Adult Literacy Programs**

[20-11-4-1] Sec. 1. ~~As used in this chapter, "department" refers to the department of workforce development.~~

[20-11-4-2] Sec. 1. ~~Sec. 2:~~ As used in this chapter, "eligible entity" means a ~~not-for-profit~~ **nonprofit** organization that has been approved by the department.



[20-11-4-3] Sec. 2. ~~Sec. 3:~~ As used in this chapter, "program" refers to the adult literacy program established ~~under~~ by section ~~4 3~~ of this chapter.

[20-11-4-4] Sec. 3. ~~Sec. 4:~~ The adult literacy program is established to provide financial assistance to private industry councils to provide adult literacy programs. The program shall be administered by the department.

[20-11-4-5] Sec. 4. ~~Sec. 5:~~ (a) ~~In order~~ To receive funding under this chapter, ~~the a~~ private industry ~~councils~~ **council** shall apply for funding as prescribed by the department in ~~its~~ **the department's** annual job training plan.

(b) The following information must be included in the plan:

(1) The nature of the adult literacy program being proposed.

(2) The number of adults being served under the program, including adults who have graduated from high school but who demonstrate a deficiency in reading and writing skills.

(3) The number of instructors, students, or volunteers ~~that who~~ participate in the program.

(4) The amount of money requested to administer the program.

(5) Other information required by the department.

SECTION 20. IC 22-4.1-12 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

**Chapter 12. Indiana Education Employment Program**

[20-11-5-1] ~~Sec. 1:~~ As used in this chapter, "department" refers to ~~the department of workforce development:~~

[20-11-5-2] Sec. 1. ~~Sec. 2:~~ As used in this chapter, "eligible student" means:

(1) a student who is:

(A) enrolled in a public high school as a senior;

(B) at risk of withdrawing from school before graduation; and

(C) at risk under the criteria for determining at risk students under IC 21-3-1.6-1.1; or

(2) a student who is enrolled in the final year of a special education program.

[20-11-5-3] Sec. 2. ~~Sec. 3:~~ As used in this chapter, "job specialist" means a person employed by the **school** corporation who:

(1) has knowledge in job placement counseling;

(2) has tutoring skills; and

(3) meets the criteria established by the department to act as a job specialist.

[20-11-5-4] Sec. 3. ~~Sec. 4:~~ As used in this chapter, "program" refers to the Indiana education employment program ~~to provide financial assistance to private industry councils for the purposes of involving school corporations that agree to jointly participate in the program established under section 5 of this chapter.~~ **established under section**



**4 of this chapter.**

[20-11-5-5] Sec. 4. ~~Sec. 5:~~ (a) The department shall establish the **Indiana education employment** program to:

- (1) assist eligible students to successfully make the transition from school to the work or employment setting; **and**
- (2) **provide financial assistance to private industry councils (as defined in 29 U.S.C. 1501 et seq.) to involve school corporations that agree to jointly participate in the program.**

(b) The goals of the program are as follows:

- (1) Prevent withdrawal from school before graduation.
- (2) Attain high school graduation.
- (3) Receive job placement assistance.
- (4) Receive follow-up services for one (1) year after job placement.
- (5) Receive recognition in the form of a pay raise or promotion within one (1) year of employment.

[20-11-5-6] Sec. 5. ~~Sec. 6:~~ Each job specialist has the following duties:

- (1) Meet with each participating eligible student:
  - (A) to provide tutoring services;
  - (B) for counseling; or
  - (C) for other student services required under the program.
- (2) Actively seek employment positions for the participating eligible student in fields that are consistent with the student's abilities and strengths.
- (3) Keep accurate and complete records of all student services offered and the results attained.

[20-11-5-7] Sec. 6. ~~Sec. 7:~~ Each participating eligible student shall participate in an after school organization formed particularly for all eligible students participating in the program.

[20-11-5-8] Sec. 7. ~~Sec. 8:~~ (a) The department shall adopt rules, under IC 4-22-2 ~~and to implement this chapter.~~

(b) **The department shall** develop guidelines necessary to implement the program, including guidelines governing the qualifications required of a job specialist.

SECTION 21. IC 22-4.1-13 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

**Chapter 13. Indiana Commission on Vocational and Technical Education**

[20-1-18.3-1] Sec. 1. As used in this chapter, "commission" refers to the Indiana commission on vocational and technical education of the department ~~of workforce development~~ established under section 6 of this chapter.

[20-1-18.3-2] Sec. 2. As used in this chapter, "council" refers to the state human resource investment council established under



1 IC 22-4-18.1.

2 [20-1-18.3-3] Sec. 3. As used in this chapter, "employment training"  
3 means all programs administered by the following:

- 4 (1) The ~~state human resource investment~~ council.
- 5 (2) The Indiana jobs training program.
- 6 (3) The department. ~~of workforce development.~~
- 7 (4) A private industry council (as defined in 29 U.S.C. 1501 et  
8 seq.).

9 [20-1-18.3-4] Sec. 4. As used in this chapter, "state educational  
10 institution" has the meaning set forth in ~~IC 20-12-0.5-1(b).~~  
11 **IC 20-12-0.5-1.**

12 [20-1-18.3-5] Sec. 5. As used in this chapter, "vocational education"  
13 means any vocational, agricultural, occupational, manpower,  
14 employment, or technical training or retraining that:

- 15 (1) enhances an individual's career potential and further  
16 education; and
- 17 (2) is accessible to individuals who desire to explore and learn for  
18 economic and personal growth leading to employment  
19 opportunities.

20 [20-1-18.3-6] Sec. 6. (a) The Indiana commission on vocational and  
21 technical education is established within the department. ~~of workforce~~  
22 ~~development.~~

23 (b) The commission consists of eleven (11) citizens of Indiana who  
24 are appointed by the governor. **Except as provided in subsection (c),**  
25 **a member:**

- 26 (1) **may not be an officer or employee of a state educational**  
27 **institution or a school corporation;**
- 28 (2) **may not be a state employee;**
- 29 (3) **may not be a member of the council; and**
- 30 (4) **must be generally knowledgeable in the fields of business,**  
31 **industry, labor, agriculture, commerce, education, or**  
32 **vocational education.**

33 **(c) Notwithstanding subsection (b):**

- 34 (1) ~~one (1) of the members~~ **member** must be a representative of  
35 the ~~state human resource investment~~ council or a private industry  
36 council;
- 37 (2) ~~one (1) of the members~~ **member** must be an officer or  
38 employee of a state educational institution; and
- 39 (3) ~~one (1) of the members~~ **member** must be an officer or  
40 employee of a school corporation.

41 ~~The other eight (8) members:~~

- 42 ~~(1) may not be an officer or employee of a state educational~~  
43 ~~institution or a school corporation;~~
- 44 ~~(2) may not be a state employee;~~
- 45 ~~(3) may not be a member of the council; and~~
- 46 ~~(4) must be generally knowledgeable in the fields of business,~~





industry, labor, agriculture, commerce, education, or vocational education.

(c) (d) Each Indiana congressional district must be represented by at least one (1) member who resides in that district.

[20-1-18.3-7] Sec. 7. Appointments to the commission are for four (4) year terms. The governor shall promptly make appointments to fill vacancies for the duration of unexpired terms in the same manner as the original appointments.

[20-1-18.3-8] Sec. 8. (a) The commission shall elect from ~~its the~~ **the commission's** membership a ~~chairman~~ **chairperson** and vice ~~chairman~~ **chairperson** and other necessary officers.

(b) Each member of the commission is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). ~~Such a~~ **Each** member is also entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the **Indiana** department of administration and approved by the ~~state~~ budget agency.

[20-1-18.3-10] Sec. 9. ~~Sec. 10:~~ (a) The commission shall develop and implement a long range state plan for a comprehensive vocational education program in Indiana.

(b) ~~This~~ **The plan developed under this section** shall be kept current. The plan and any revisions made to ~~this the~~ plan shall be made available to:

- (1) the governor;
- (2) the general assembly;
- (3) the Indiana state board of education; ~~and~~
- (4) the department of education;
- (5) the commission for higher education;
- (6) the ~~state human resource investment~~ council;
- (7) the Indiana commission on proprietary education; and
- (8) any other appropriate state or federal agency.

A plan or revised plan submitted under this section to the general assembly must be in an electronic format under IC 5-14-6.

(c) The plan must set forth specific goals for public vocational education at all levels and must include the following:

- (1) The preparation of each graduate for both employment and further education.
- (2) Accessibility of vocational education to ~~persons~~ **individuals** of all ages who desire to explore and learn for economic and personal growth.
- (3) Projected employment opportunities in various vocational and technical fields.
- (4) A study of the supply of and the demand for a labor force skilled in particular vocational and technical areas.
- (5) A study of technological and economic change affecting



1 Indiana.

2 (6) An analysis of the private vocational **education** sector in  
3 Indiana.

4 (7) Recommendations for improvement in the state vocational  
5 education program.

6 (8) The educational levels expected of **vocational education**  
7 **[QUERY: OK?]** programs proposed to meet the projected  
8 employment needs.

9 [20-1-18.3-11] Sec. 10. ~~Sec. 11.~~ The commission shall ~~also~~ do the  
10 following:

11 (1) Make recommendations to the general assembly concerning  
12 the development, duplication, and accessibility of employment  
13 training and vocational education on a regional and statewide  
14 basis.

15 (2) Consult with any state agency, commission, or organization  
16 that supervises or administers programs of vocational education  
17 concerning the coordination of vocational education, including  
18 the following:

19 (A) The department of commerce.

20 (B) The ~~state human resource investment~~ council.

21 (C) A private industry council (as defined in 29 U.S.C. 1501  
22 et seq.).

23 (D) The department of labor.

24 (E) The Indiana commission on proprietary education.

25 (F) The commission for higher education.

26 (G) The Indiana state board of education.

27 (3) Review and make recommendations concerning plans  
28 submitted by the Indiana state board of education and the  
29 commission for higher education. The commission may request  
30 the resubmission of plans or parts of plans that: ~~do not meet the~~  
31 ~~following criteria:~~

32 (A) ~~Consistency are not consistent~~ with the long range state  
33 plan of the commission;

34 (B) ~~Evidence of compatibility of are incompatible with other~~  
35 plans within the system; **or**

36 (C) ~~Avoidance of do not avoid~~ duplication of existing  
37 services.

38 (4) Report to the general assembly on the commission's  
39 conclusions and recommendations concerning interagency  
40 cooperation, coordination, and articulation of vocational  
41 education and employment training. A report under this  
42 subdivision must in an electronic format under IC 5-14-6.

43 (5) Study and develop a plan concerning the transition between  
44 secondary level vocational education and postsecondary level  
45 vocational education.

46 (6) Enter into agreements with the federal government that may



be required as a condition of receiving federal funds under the Vocational Education Act (20 U.S.C. 2301 et seq.). An agreement entered into under this subdivision is subject to the approval of the budget agency.

[20-1-18.3-12] Sec. 11. ~~Sec. 12:~~ The commission may do the following:

(1) Make recommendations, **including recommendations for policies to encourage involvement of minority groups in the vocational education system in Indiana**, to:

(A) the governor;

(B) the general assembly; and

(C) the various agencies, commissions, or organizations that administer vocational education programs concerning all facets of vocational education programming. ~~including recommendations for policies to encourage involvement of minority groups in the vocational education system in Indiana.~~

(2) Establish a regional planning and coordination system for vocational education and employment training that will, either in whole or in part, serve vocational education and employment training in Indiana.

(3) Appoint advisory committees whenever necessary.

(4) Contract for services necessary to carry out this chapter.

(5) Provide information and advice on vocational education to a business, ~~an~~ industry, or labor organization operating a job training program in the private sector.

[20-1-18.3-12.1] Sec. 12. ~~Sec. 12.1:~~ The commission shall adopt statewide systems or policies concerning the following as ~~they the~~ **systems or policies** relate to the implementation of vocational and technical education programs: ~~beginning July 1, 1993:~~

(1) Student records.

(2) Data processing at the secondary level.

(3) An evaluation system that must be conducted by the commission at least annually and that evaluates the following as each relates to the vocational and technical education programs and courses offered at the secondary level and postsecondary level:

(A) Graduation rates.

(B) Student placement rates.

(C) Retention rates.

(D) Enrollment.

(E) Student transfer rates to postsecondary educational institutions.

(F) When applicable, student performance on state licensing examinations or other external certification examinations.

(G) Cost data study.

(4) A system of financial audits to be conducted at least biennially



1 at the secondary level.

2 [20-1-18.3-13] Sec. 13. (a) The commission shall establish  
3 vocational education evaluation criteria. ~~and;~~

4 (b) Using the criteria **established under subsection (a), the**  
5 **commission shall** evaluate the effectiveness of vocational education  
6 relative to the goals of the long range plan developed under section ~~10~~  
7 **9** of this chapter.

8 [20-1-18.3-14] Sec. 14. (a) Except as provided in subsection (c), the  
9 commission shall receive, distribute, and maintain accountability for  
10 all federal funds available for vocational education under 20 U.S.C.  
11 2301 et seq.

12 (b) Except as provided in subsection (c), the commission shall  
13 distribute and maintain accountability for all federal funds available for  
14 vocational education under 29 U.S.C. 1533.

15 (c) The commission may not expend or distribute federal funds  
16 available under 20 U.S.C. 2301 et seq. or 29 U.S.C. 1533 if those funds  
17 have not been allocated by the general assembly.

18 [20-1-18.3-15] Sec. 15. (a) The department ~~of workforce~~  
19 ~~development~~ shall review the legislative budget requests for vocational  
20 education prepared by the following:

21 (1) The department of education.

22 (2) The state educational institutions.

23 (b) After ~~its~~ **the** review under subsection (a), the department ~~of~~  
24 ~~workforce development~~ shall make recommendations to the budget  
25 committee concerning the appropriation of state funds and the  
26 allocation of federal funds for vocational education, including federal  
27 funds available under 20 U.S.C. 2301 et seq. and 29 U.S.C. 1533. The  
28 department's recommendations concerning appropriations and  
29 allocations for vocational education by secondary schools and state  
30 educational institutions must specify:

31 (1) the minimum funding levels required by 20 U.S.C. 2301 et  
32 seq. and 29 U.S.C. 1533;

33 (2) the categories of expenditures and the distribution plan or  
34 formula for secondary schools; and

35 (3) the categories of expenditures for each state educational  
36 institution.

37 (c) After reviewing the department's recommendations and each  
38 agency's budget request, the budget committee shall make  
39 recommendations to the general assembly for funding to implement  
40 vocational education. The general assembly shall biennially appropriate  
41 state funds for vocational education and allocate federal funds available  
42 under 20 U.S.C. 2301 et seq. and 29 U.S.C. 1533 for vocational  
43 education. At least sixty percent (60%) of the federal funds available  
44 under 20 U.S.C. 2301 et seq. shall be allocated to secondary level  
45 vocational education for the purpose of implementing the long range  
46 state plan developed under section ~~10~~ **9** of this chapter.



(d) The budget agency, with the advice of the department and the budget committee, may augment or reduce an allocation of federal funds made under subsection (c).

[20-1-18.3-16] Sec. 16. The commission may employ any staff necessary to perform the duties imposed by this chapter and fix the compensation and terms of that employment, subject to approval by the budget agency.

[20-1-18.3-17] Sec. 17. The commission shall adopt rules under IC 4-22-2 to carry out the duties imposed by this chapter.

[20-1-18.3-18] Sec. 18. The commission has no power relating to the management, operation, or financing of any state institution or agency except those specifically set forth in this chapter.

SECTION 22. IC 22-4.1-14 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

#### **Chapter 14. Workforce Partnership Plans**

[20-1-18.5-1] Sec. 1. As used in this chapter, "institution" means:

- (1) a campus of a state educational institution (as defined in IC 20-12-0.5-1);
- (2) a school corporation; or
- (3) an area vocational school;

as described in ~~sections section 2 and or 3~~ of this chapter. ~~whichever may apply.~~

[20-1-18.5-2] Sec. 2. **After receiving the endorsement of the faculty and** subject to the guidelines developed under section 4 of this chapter, the chief administrator from each campus of a state educational institution that offers a technical education program ~~(after receiving an endorsement from the faculty in this regard)~~ must enter into a workforce partnership plan as described under this chapter with the superintendent of the school corporation and each area vocational director who oversees the secondary level technical education programs that are offered within the same geographic area as the particular campus.

[20-1-18.5-3] Sec. 3. **After the chief administrator receives an endorsement from the faculty and** subject to the guidelines developed under section 4 of this chapter, the superintendent of each school corporation and area vocational director must enter into a workforce partnership plan as described under this chapter with the chief administrator from each campus of a state educational institution ~~(after the chief administrator receives an endorsement from the faculty in this regard)~~ who oversees the postsecondary level technical education programs offered within the same geographic area as the school corporation and area vocational school.

[20-1-18.5-4] Sec. 4. (a) The:

- (1) **state** superintendent of public instruction;
- (2) commissioner of the commission for higher education; and



(3) commissioner of the department; ~~of workforce development~~;  
shall jointly develop guidelines governing the development of the  
workforce partnership plans, including guidelines for the subjects  
described in subsection (b).

(b) The guidelines must ~~cover~~ **include** the following:

- (1) A ~~time~~ schedule for institutions to comply with this chapter.
- (2) A format for the workforce partnership plans.
- (3) **The** boundaries ~~constituting of~~ the geographic areas described  
in sections 2 and 3 of this chapter.
- (4) Any other pertinent matter.

[20-1-18.5-5] Sec. 5. Notwithstanding any other law and after an  
institution is required to enter into a workforce partnership plan under  
this chapter, **an institution's workforce partnership plan must be  
approved by the Indiana commission on vocational and technical  
education of the department for the institution to:**

- (1) be eligible to receive federal and state funds for the  
institution's vocational and technical education program at the  
secondary level and postsecondary level;
- (2) receive vocational and technical education program approval  
by:
  - (A) the Indiana state board of education for secondary level  
programs; and
  - (B) the commission for higher education for postsecondary  
level programs;
 for any vocational and technical education programs requiring  
approval; and
- (3) be eligible to complete the program review process by the  
commission for higher education for postsecondary level  
vocational and technical education programs.

~~an institution's workforce partnership plan must be approved by the  
Indiana commission on vocational and technical education of the  
department of workforce development.~~

[20-1-18.5-6] Sec. 6. Each plan must do the following:

- (1) Address the need to maximize:
  - (A) the ~~utilization~~ **use** of vocational and technical education  
programs and services; and
  - (B) the articulation of vocational and technical education  
programs;  
between the secondary level and postsecondary level.
- (2) Identify vocational and technical education program groupings  
to coordinate vocational and technical education programs within  
a geographic area.
- (3) Identify particular certificates of achievement under  
IC 20-10.1-4.4[??] and IC 20-12-1-10 and indicate the  
circumstances under which a state educational institution may  
elect to grant academic credit to a student who does the following:



(A) Acquires the particular certificate of achievement.

(B) Satisfies the standards for receipt of academic credit as determined by the state educational institution.

(4) Provide for the ~~utilization~~ use of joint secondary level and postsecondary level faculty committees to organize vocational and technical education program articulation.

(5) Comply with 20 U.S.C. 2301 et seq.

[20-1-18.5-7] Sec. 7. The Indiana state board of education and the commission for higher education may review and provide recommendations on each plan biennially.

SECTION 23. IC 22-4.1-15 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

**Chapter 15. Building and Trades Advisory Committee**

[20-1-18.6-1] Sec. 1. The building and trades advisory committee is established to provide information, advice, and recommendations to the Indiana commission on vocational and technical education of the department of ~~workforce development~~ with regard to technical education.

[20-1-18.6-2] Sec. 2. The advisory committee consists of seven (7) members, all of whom ~~shall be~~ are appointed by the governor, as follows:

(1) Two (2) members who are coordinators of jointly administered building trades training committees.

(2) Two (2) members who are instructors of jointly administered building trades training committees.

(3) One (1) member who is an administrator of a jointly administered building trades training committee.

(4) Two (2) members who are members of the public but who are knowledgeable in building trades training programs.

[20-1-18.6-3] Sec. 3. The members of the advisory committee serve terms of four (4) years.

[20-1-18.6-4] Sec. 4. If a vacancy occurs before the expiration of a term, the governor shall appoint an interim member consistent with the vacating member's qualifications under section 2 of this chapter to serve for the balance of the unexpired term.

[20-1-18.6-5] Sec. 5. (a) Members of the **advisory** committee are not entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). ~~Such~~

(b) A member is ~~however~~, entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

SECTION 24. IC 22-4.1-16 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE



JULY 1, 2005]:

**Chapter 16. Vocational Technical Proficiency Panel**

[20-1-20-1] Sec. 1. As used in this chapter, "panel" refers to the workforce proficiency panel created ~~under by~~ section 2 of this chapter within the department. ~~of workforce development.~~

[20-1-20-2] Sec. 2. The workforce proficiency panel is created within the department ~~of workforce development~~ to oversee the development of technical proficiencies and the technical field certificates of achievement at the secondary level under IC 20-10.1-4.4[??] and the postsecondary level under IC 20-12-1-10. The panel consists of nine (9) members who:

- (1) are appointed by the governor; and
- (2) represent employers, employees, and educators.

[20-1-20-3] Sec. 3. The term of a panel member is four (4) years.

[20-1-20-4] Sec. 4. A vacancy on the panel shall be filled for the unexpired term in the same manner as the original appointment.

[20-1-20-5] Sec. 5. ~~Members (a) Except as provided in subsection (b), a member~~ of the panel ~~are is~~ not entitled to compensation for the ~~members' member's~~ services. ~~except that each~~

**(b)** A member is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the **Indiana** department of administration and approved by the budget agency.

[20-1-20-6] Sec. 6. The panel members shall elect a ~~chairman~~ **chairperson** and secretary from among the members.

[20-1-20-7] Sec. 7. The panel shall meet upon the call of the ~~chairman~~ **chairperson**.

[20-1-20-8] Sec. 8. (a) The department ~~of workforce development~~ is the lead agency for implementing this chapter.

(b) The department ~~of education~~, the department, ~~of workforce development~~, and the commission for higher education shall provide staff support to the panel.

[20-1-20-9] Sec. 9. The duties of the panel include the following:

- (1) To determine the essential and technical skills required to be effective in the various technical trades and professions.
- (2) To determine the statewide technical proficiencies of major occupational areas considered to be necessary in the workforce.
- (3) To review existing vocational and technical education programs at the secondary and postsecondary level to determine:
  - (A) whether these programs meet the essential skill and statewide technical proficiency standards determined by the panel; and
  - (B) whether there exists duplication in programs or deficiencies in program alternatives at any level.
- (4) To improve technical proficiency based curricula for existing





1 vocational programs.

2 (5) To make available to the pilot workplace learning programs  
3 developed by the panel required essential skills and technical  
4 proficiencies in the major occupational areas.

5 (6) To adopt the secondary level and postsecondary level  
6 technical certificate of achievement assessment instruments and  
7 standards under IC 20-10.1-4.4[??] and IC 20-12-1-10,  
8 respectively.

9 [20-1-20-10] Sec. 10. (a) In addition to the duties set forth in section  
10 9 of this chapter, the panel shall make recommendations concerning  
11 statewide technical proficiencies to the department **of education** and  
12 the commission for higher education.

13 (b) The **Indiana state board of education** shall establish a  
14 curriculum based ~~upon~~ **on** the recommendations under subsection (a).

15 (c) The commission for higher education shall incorporate the  
16 recommended statewide technical proficiencies into the commission's  
17 standards for program approval. ~~in this regard.~~

18 [20-1-20-11] Sec. 11. The panel may establish committees to  
19 develop specific technical proficiencies.

20 [20-1-20-12] Sec. 12. ~~Beginning in 1991,~~ The panel shall submit a  
21 report before August 1 of each year to the governor, the general  
22 assembly, the Indiana state board of education, and the commission for  
23 higher education detailing the panel's work. A report submitted under  
24 this section to the general assembly must be in an electronic format  
25 under IC 5-14-6.

26 SECTION 25. IC 36-10-12 IS ADDED TO THE INDIANA CODE  
27 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
28 JULY 1, 2005]:

29 **Chapter 12. Children's Museum in Marion County**

30 [20-5-17-1] Sec. 1. **As used in this chapter, "board of school**  
31 **trustees" means the school board of an incorporated town.**

32 [20-5-17-1] Sec. 2. ~~(a)~~ As used in this chapter, ~~the term~~ "children's  
33 museum" means ~~any~~ **a** museum located in a county containing a  
34 consolidated city, if ~~such~~ **the** museum is:

35 **(1)** incorporated under the ~~laws of the state of Indiana law~~ without  
36 stock and without purpose of gain to ~~its~~ **the museum's** members;  
37 and ~~is~~

38 **(2)** organized for the purpose of maintaining in ~~said~~ **the** county a  
39 permanent museum containing objects and items:

40 **(A)** of interest primarily ~~for~~ **to** children; and

41 **(B)** for the encouragement and education of children.

42 [20-5-17-1] Sec. 3. **As used in this chapter, "incorporated town"**  
43 **means an incorporated town located in a county containing a**  
44 **consolidated city.**

45 [20-5-17-1] Sec. 4. ~~(b)~~ As used in this chapter, ~~the term~~ "township"  
46 means a school township that is located in a county containing a



consolidated city.

[20-5-17-1] Sec. 5. ~~The term~~ **As used in this chapter**, "township board" means the township board of ~~such a~~ township.

[20-5-17-1] Sec. 6. ~~The term~~ **As used in this chapter**, "township trustee" means the duly elected trustee of the civil township in which ~~the a~~ school township is located.

~~(c) As used in this chapter, the term "incorporated town" means an incorporated town located in a county containing a consolidated city. The term "board of school trustees" means the school board of such town.~~

[20-5-17-2] Sec. 7. ~~Sec. 2:~~ (a) ~~By and~~ With the consent of the township board the township trustee may provide financial assistance to ~~a children's museums. This museum.~~ **The** assistance shall be:

(1) paid from the funds of the school township; ~~shall be~~

(2) budgeted and appropriated as ~~is otherwise~~ provided by law; and ~~shall be~~

(3) in an amount each year ~~of~~ not to exceed the product of twenty-five cents (\$0.25) multiplied by the average daily attendance of children enrolled in ~~grades one (1) to eight (8)~~ **inclusive grade 1 through grade 8** in the public schools of ~~said the~~ township as ~~shown or~~ **reported in** the last preceding annual report to the state superintendent of public instruction.

(b) The assistance ~~shall be under subsection (a)~~ is payable annually. ~~and may in the discretion of~~ The trustee and the township board **may** continue ~~the assistance~~ annually thereafter; ~~provided that~~ **if** the board of trustees or other governing body of ~~such the~~ children's museum has accepted by resolution the provisions of this chapter and has filed a certified copy of ~~such the~~ resolution with the township trustee of ~~said the~~ township ~~prior to before~~ the date of the first payment.

[20-5-17-2] Sec. 8. ~~(b)~~ (a) The board of school trustees of ~~any a~~ town may provide financial assistance to ~~a children's museums. This museum.~~ **The** assistance shall be:

(1) paid from the funds of the school town; and ~~shall be~~

(2) in an amount each year of not to exceed the product of twenty-five cents (\$0.25) multiplied by the average daily attendance of children enrolled in ~~grades one (1) to eight (8)~~ **inclusive grade 1 through grade 8** in the public schools of ~~said the~~ town as ~~shown or~~ **reported in** the last preceding annual report to the state superintendent of public instruction.

(b) The assistance ~~shall be under subsection (a)~~ is payable annually. ~~and, may, in the discretion of~~ The board of school trustees **may** continue ~~the assistance~~ annually thereafter; ~~provided that~~ **if** the board of trustees or other governing body of ~~such the~~ children's museum has accepted by resolution the provisions of this chapter and has filed a certified copy of ~~such the~~ resolution with the board of



1 school trustees ~~prior to before~~ the date of the first payment.

2 [20-5-17-3] Sec. 9. ~~Sec. 3:~~ (a) ~~No such A~~ children's museum ~~shall~~  
3 ~~be is not~~ entitled to receive ~~any~~ financial assistance ~~as provided in~~  
4 ~~section 2 under sections 7 and 8~~ of this chapter until the board of  
5 trustees or other governing body of the museum ~~shall have agreed~~  
6 ~~agrees~~ with the township trustee or board of school trustees, by proper  
7 resolution, to do the following:

8 (1) To allow the county superintendent of schools of ~~said the~~  
9 county to attend all meetings of the board of trustees or other  
10 governing body of ~~such the~~ children's museum ~~in order so that~~  
11 ~~such the~~ superintendent ~~may be is~~ advised as to the work done  
12 and proposed to be done by the **children's** museum. [QUERY:  
13 WHO IS CONSIDERED THE "COUNTY SUPERINTENDENT  
14 OF SCHOOLS"?]

15 (2) To ~~permit allow~~ the township trustees of ~~any a~~ township or  
16 board of school trustees of ~~any a~~ town furnishing financial  
17 assistance to ~~a the~~ children's museum to nominate ~~persons~~  
18 **individuals** eligible for membership on the board of trustees or  
19 other governing body of the museum. **The children's museum**  
20 **must elect one (1) member** from ~~which the~~ list or lists of ~~persons~~  
21 ~~so individuals~~ nominated ~~one (1) member shall be elected by~~  
22 ~~such museum~~ as a member of the board of trustees or other  
23 governing body of the **children's** museum. ~~and such~~ **The member**  
24 ~~so elected shall represent any and under this subdivision~~  
25 **represents** all ~~such~~ townships and towns.

26 (3) To grant free admission to the **children's** museum and  
27 galleries to all ~~school children~~ **students** and teachers of ~~any a~~  
28 township or town that furnishes financial assistance to the  
29 **children's** museum.

30 (4) To ~~permit allow~~ the use, at ~~all~~ reasonable times and in ~~all~~  
31 reasonable ways, of the plant, equipment, and facilities of the  
32 **children's** museum for the purpose of educating the  
33 ~~schoolchildren~~ **students** of the township or town.

34 (5) To ~~permit allow~~ the use of the services of the personnel of the  
35 **children's** museum, at ~~all~~ reasonable times and in ~~all~~ reasonable  
36 ways, under the direction of the **children's** museum, ~~provided;~~  
37 ~~however, that such if the~~ services are consistent with the regular  
38 established duties of ~~such the~~ personnel.

39 (6) To ~~permit allow~~ the loan of ~~all~~ suitable and available objects  
40 and items from the **children's** museum's collection to ~~any a~~  
41 school of the township or town to aid and supplement the  
42 curriculum of the school.

43 (b) A copy of ~~said the~~ resolution ~~shall must~~ be filed in the office of  
44 the township trustee or with the secretary of the board of school  
45 trustees ~~as a condition precedent to the receipt by before~~ the **children's**  
46 museum ~~of any receives~~ financial assistance ~~provided in under~~ this



1 chapter.

2 [20-5-17-4] Sec. 10. ~~Sec. 4:~~ After ~~such a~~ children's museum ~~shall~~  
 3 ~~have qualified, according to the provisions of this chapter, qualifies~~ to  
 4 receive financial assistance from ~~any a~~ township or town ~~under this~~  
 5 ~~chapter,~~ the board of trustees or the governing body of the ~~children's~~  
 6 museum ~~shall is not be~~ required to adopt new resolutions ~~from each~~  
 7 year. ~~to year, but~~ Each ~~such~~ original resolution ~~shall continue~~  
 8 ~~continues~~ and ~~remain remains~~ in full force and effect until ~~by like~~  
 9 ~~resolution, certified and filed,~~ the original resolution is revoked or  
 10 rescinded ~~by another resolution that is certified and filed under this~~  
 11 ~~chapter.~~

12 [20-5-17-5] Sec. 11. ~~Sec. 5:~~ For as long as the board of trustees or  
 13 governing body of any such children's museum shall do and perform or  
 14 are willing and ready to perform all things necessary to qualify the  
 15 museum to receive the benefits provided by this chapter, ~~such A~~  
 16 ~~children's~~ museum ~~shall be is~~ entitled to ~~such~~ receive the benefits  
 17 ~~provided under this chapter for as long as the board of trustees or~~  
 18 ~~governing body of the children's museum performs or is willing to~~  
 19 ~~perform the duties set forth in section 9 of this chapter.~~

20 SECTION 26. IC 36-10-13 IS ADDED TO THE INDIANA CODE  
 21 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 22 JULY 1, 2005]:

23 **Chapter 13. Cultural Institutions**

24 [20-5-17.5-1] Sec. 1. ~~(b)~~ As used in this chapter, "art association"  
 25 means a ~~not-for-profit nonprofit~~ corporation organized under Indiana  
 26 law ~~for purposes of: to:~~

- 27 (1) ~~maintaining~~ **maintain** a permanent art gallery; and  
 28 (2) ~~promoting~~ **promote** education in the fine and industrial arts;  
 29 that owns, possesses, or maintains property for those purposes.

30 [20-5-17.5-1] Sec. 2. ~~(c)~~ As used in this chapter, "cultural  
 31 institution" means ~~an a~~ historical society, ~~an~~ art association, or other  
 32 ~~not-for-profit nonprofit~~ corporation organized under Indiana law ~~for~~  
 33 ~~the purpose of furthering to further~~ the cultural development of the  
 34 public.

35 [20-5-17.5-1] Sec. 3. ~~(a)~~ As used in this chapter, "historical society"  
 36 means a ~~not-for-profit nonprofit~~ corporation organized under Indiana  
 37 law ~~for purposes of: to:~~

- 38 (1) ~~maintaining~~ **maintain** a permanent historical museum; and  
 39 (2) ~~promoting~~ **promote** a knowledge of local ancestral heritage  
 40 and custom;  
 41 that owns, possesses, or maintains property for those purposes.

42 [20-5-17.5-2] Sec. 4. ~~Sec. 2:~~ (a) This ~~subsection~~ **section** does not  
 43 apply to a school corporation in a county having a population of more  
 44 than two hundred thousand (200,000) but less than three hundred  
 45 thousand (300,000).

46 (b) The governing body of a school corporation may annually



appropriate, from ~~its~~ **the school corporation's** general fund, a sum of not more than five-tenths of one cent (\$0.005) on each one hundred dollars (\$100) of assessed valuation in the school corporation to be paid to a historical society, subject to ~~subsection (c):~~ **section 6 of this chapter.**

[20-5-17.5-2] Sec. 5. ~~(b)~~ **(a)** This ~~subsection~~ **section** applies only to a school corporation in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000).

**(b)** To provide funding for a historical society under this section, the governing body of a school corporation may impose a tax of not more than five-tenths of one cent (\$0.005) on each one hundred dollars (\$100) of assessed valuation in the school corporation. ~~This~~

**(c)** A tax **under this section** is not subject to the tax levy limitations imposed on the school corporation by IC 6-1.1-19-1.5 or the provisions of IC 21-2-11-8.

**(d)** The school corporation shall deposit the proceeds of the tax in a fund to be known as the historical society fund. The historical society fund is separate and distinct from the school corporation's general fund and may be used only for the purpose of providing funds for a historical society under this section.

**(e)** Subject to ~~subsection (c):~~ **section 6 of this chapter**, the governing body of the school corporation may annually appropriate the money in the fund to be paid in semiannual installments to a historical society having facilities in the county.

[20-5-17.5-2] Sec. 6. ~~(c)~~ Before a historical society may receive payments under ~~this section~~, **its sections 4 and 5 of this chapter**, the **historical society's** governing board must adopt a resolution that entitles:

(1) the governing body of the school corporation to appoint ~~its the school corporation's~~ superintendent and one (1) ~~of its history teachers teacher~~ as visitors ~~with the privilege of attending who may attend~~ all meetings of the society's governing board;

(2) the governing body of the school corporation to nominate two (2) ~~persons~~ **individuals** for membership on the society's governing board;

(3) the school corporation to use ~~any of~~ the society's facilities and equipment for educational purposes consistent with the society's purposes;

(4) the students and teachers of the school corporation to tour the society's museum, if any, free of charge; and

(5) the school corporation to borrow artifacts from the society's collection, if any, for temporary exhibit in the schools.

[20-5-17.5-3] Sec. 7. ~~Sec. 3:~~ (a) This section applies to school corporations in a county containing a city having a population of:

(1) more than one hundred fifty thousand (150,000) but less than



1 five hundred thousand (500,000);

2 (2) more than one hundred twenty thousand (120,000) but less  
3 than one hundred fifty thousand (150,000);

4 (3) more than ninety thousand (90,000) but less than one hundred  
5 five thousand (105,000);

6 (4) more than one hundred five thousand (105,000) but less than  
7 one hundred twenty thousand (120,000); or

8 (5) more than seventy-five thousand (75,000) but less than ninety  
9 thousand (90,000).

10 (b) ~~In order~~ To provide funding for an art association under this  
11 section, the governing body of a school corporation may impose a tax  
12 of not more than five-tenths of one cent (\$0.005) on each one hundred  
13 dollars (\$100) of assessed valuation in the school corporation. ~~This~~  
14 **The** tax is not subject to the tax levy limitations imposed on the school  
15 corporation by IC 6-1.1-19-1.5 or the provisions of IC 21-2-11-8.

16 (c) The school corporation shall deposit the proceeds of the tax  
17 imposed under subsection (b) in a fund to be known as the art  
18 association fund. The art association fund is separate and distinct from  
19 the school corporation's general fund and may be used only for the  
20 purpose of providing funds for an art association under this section.  
21 The governing body of the school corporation may annually  
22 appropriate the money in the fund to be paid in semiannual installments  
23 to an art association having facilities in a city that is listed in subsection  
24 (a), subject to subsection (d).

25 (d) Before an art association may receive payments under this  
26 section, ~~its~~ **the association's** governing board must adopt a resolution  
27 that entitles:

28 (1) the governing body of the school corporation to appoint ~~its~~ **the**  
29 **school corporation's** superintendent and ~~its~~ director of art  
30 instruction as visitors ~~with the privilege of attending who may~~  
31 **attend** all meetings of the association's governing board;

32 (2) the governing body of the school corporation to nominate  
33 ~~persons~~ **individuals** for membership on the association's  
34 governing board, with at least two (2) of the nominees to be  
35 elected;

36 (3) the school corporation to use ~~any of~~ the association's facilities  
37 and equipment for educational purposes consistent with the  
38 association's purposes;

39 (4) the students and teachers of the school corporation to tour the  
40 association's museum and galleries free of charge;

41 (5) the school corporation to borrow materials from the  
42 association for temporary exhibit in the schools;

43 (6) the teachers of the school corporation to receive normal  
44 instruction in the fine and applied arts at half the regular rates  
45 charged by the association; and

46 (7) the school corporation to expect ~~such~~ exhibits in the



association's museum ~~as~~ **that** will supplement the work of the students and teachers of the corporation.

A copy of the resolution, certified by the president and secretary of the association, must be filed in the office of the school corporation before payments may be received.

(e) A resolution filed under subsection (d) ~~need~~ **is not required to** be renewed ~~from year to year but~~ **annually. The resolution** continues in effect until rescinded. An art association that complies with this section is entitled to continue to receive payments under this section as long as ~~it so the art association~~ **complies with the resolution.**

(f) ~~Whenever~~ **If** more than one (1) art association in a city that is listed in subsection (a) qualifies to receive payments under this section, the governing body of the school corporation shall select the one (1) art association best qualified to perform the services described by subsection (c). A school corporation may select only one (1) art association to receive payments under this section.

[20-5-17.5-4] Sec. 8. ~~Sec. 4:~~ (a) This section applies to school corporations in a county:

(1) containing a consolidated city; or

(2) having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000).

(b) The governing body of a school corporation may annually appropriate sums to be paid to cultural institutions ~~which must be that~~ **are** reasonably commensurate with the educational and cultural contributions made by the institutions to the school corporation and ~~its~~ **the school corporation's** students. This power is subject to subsection (c).

(c) Before a cultural institution may receive payments under this section, the president and secretary of the **cultural** institution must file with the school corporation an affidavit stating that the **cultural** institution meets the following requirements:

(1) ~~its~~ **The** governing board has adopted a resolution that entitles a representative of the school corporation to attend and speak at all ~~its~~ meetings **of the governing body.**

(2) ~~it~~ **The cultural institution:**

(A) admits the public to ~~its~~ galleries, museums, and facilities at ~~all~~ reasonable times and allows public use of those facilities free of charge; or ~~it~~

(B) provides alternative services free of charge to the public ~~in~~ ~~lieu~~ **instead** of admission to those facilities.

The governing body of the school corporation shall judge whether the alternative services are conducive to the education or cultural development of the public.

(3) ~~it~~ **The cultural institution** has a permanent location in the municipality where ~~it the cultural institution~~ **conducts its the cultural institution's** principal educational or cultural purpose.



(4) ~~It~~ **The cultural institution** has no general taxing authority. The affidavit must be filed at least thirty (30) days before a request for an appropriation under this section.

(d) A cultural institution that complies with this section may continue to receive payments under this section as long as the school corporation appropriates sums for that purpose.

SECTION 27. IC 36-12 IS ADDED TO THE INDIANA CODE AS A **NEW ARTICLE** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

## **ARTICLE 12. LIBRARIES**

### **Chapter 1. Definitions and General Provisions**

[20-14-1-1] ~~Sec. 1. This article is intended to codify or rearrange applicable or corresponding provisions in IC 20-13; the prior statute on this subject. A citation to a prior provision of IC 20-13 may be construed as a citation to the appropriate provision of this article if the prior provision is reenacted in the same or restated form in this article.~~

**[new] Sec. 1. The definitions in this chapter apply throughout this article.**

[20-14-1-2] ~~Sec. 2. As used in this article:~~

[20-14-1-2] Sec. 2. "Indiana library and historical board" refers to the Indiana library and historical board established under IC 4-23-7-2.

[20-14-1-2] ~~"Legislative body" has the meaning specified in IC 36-1-2-9.~~

[20-14-1-2] Sec. 3. "Library board" means the fiscal and administrative body of a public library.

[20-14-1-2] Sec. 4. "Library district" means the territory within the corporate boundaries of a public library.

[20-14-1-2] ~~"Municipal corporation" has the meaning specified in IC 36-1-2-10.~~

[20-14-1-2] ~~"Municipality" has the meaning specified in IC 36-1-2-11.~~

[20-14-1-2] ~~"Person" has the meaning specified in IC 36-1-2-12.~~

[20-14-1-2] Sec. 5. "Public library" means a municipal corporation that:

(1) provides library services; and

(2) is organized under: ~~IC 20-14-2; IC 20-14-4; IC 20-14-5; IC 20-14-6;~~

(A) **IC 36-12-2;**

(B) **IC 36-12-4;**

(C) **IC 36-12-5;**

(D) **IC 36-12-6;** or ~~IC 20-14-7.~~

(E) **IC 36-12-7.**

[20-14-1-2] Sec. 6. "School board" means the governing body as **defined by set forth in IC 20-8.1-1-2[??].**

[20-14-1-2] Sec. 7. "School corporation" has the meaning **specified set forth in IC 20-8.1-1-1[??].**





[20-14-1-2] "Unit" has the meaning specified in IC 36-1-2-23.

[20-14-1-3] Sec. 8. ~~Sec. 3:~~ (a) The state shall encourage the establishment, maintenance, and development of public libraries throughout Indiana as part of ~~its~~ **the** provision for public education of **Indiana.**

(b) Public libraries provide free library services for all individuals in order to meet the educational, informational, and recreational interests and needs of the public. ~~These~~

(c) Library services include:

(1) collecting and organizing books and other library materials; and

(2) providing reference, loan, and related services to library patrons. ~~These~~

(d) Library services are provided by public libraries supported by public funds.

[20-14-1-4] Sec. 9. ~~Sec. 4:~~ Public libraries are classified as either:

(1) Class 1 libraries, which comprise:

(A) all public libraries established after March 13, 1947; and

(B) all public libraries established before March 14, 1947, that have filed a resolution of conversion under section ~~5~~ **10** of this chapter; or

(2) Class 2 public libraries, which comprise all public libraries established before March 14, 1947, that have not filed a resolution of conversion under section ~~5~~ **10** of this chapter.

[20-14-1-5] Sec. 10. ~~Sec. 5:~~ (a) ~~Any~~ **A** Class 2 library may convert to Class 1 status if ~~its~~ **the Class 2** library board passes the following resolution of conversion:

" \_\_\_\_\_ Public Library, by action of its library board, resolves to convert to a Class 1 library district subject to ~~IC 20-14-2 and IC 20-14-2.5:~~ **IC 36-12-2.**"

(b) The resolution of conversion:

(1) must describe the territory included in the library district; ~~The conversion and~~

(2) is irrevocable.

~~(b)~~ (c) The resolution of conversion must be signed by a majority of library board members. Within five (5) days, the library board shall file a copy of the resolution **of conversion:**

(1) in the office of the county recorder in the county where the administrative office of the public library is located; and

(2) with the Indiana state library.

~~(c)~~ (d) The library board shall give notice of the **resolution of** conversion to all officials who have appointive powers under ~~IC 20-14-2.5; and these~~ **IC 36-12-2.**

(e) **The officials under subsection (d)** shall appoint a library board for the public library. Members of the old library board shall continue to serve as library board members until:



- (1) a majority of the new library board has been appointed; and  
 (2) the new appointees have taken an oath of office to serve on the library board.

(d) (f) Upon the:

- (1) filing of the resolution ~~the~~ **of conversion**;  
 (2) appointments under ~~IC 20-14-2-5~~, **IC 36-12-2**; and  
 (3) oath of office of the new library board under ~~IC 20-14-2-5-13~~,  
**IC 36-12-2-19**;

any current tax levies continue under authority granted to the Class 2 library until the next succeeding calendar year, at which time the tax provisions for Class 1 libraries under ~~IC 20-14-3-10~~ **IC 36-12-3-12** apply.

(g) The obligation of ~~any~~ a political subdivision to levy and collect taxes for library purposes remains effective after the conversion.

[20-14-1-6] Sec. 11. ~~Sec. 6~~. (a) Class 2 libraries shall operate under the applicable provisions of ~~IC 20-14-7~~, **IC 36-12-7**.

(b) The library boards of Class 2 libraries may elect to adopt: ~~IC 20-14-2-5~~, ~~IC 20-14-2-7~~, ~~IC 20-14-2-8~~,

- (1) **IC 36-12-2-22**;  
 (2) **IC 36-12-2-24**;  
 (3) **IC 36-12-2-25**; and ~~IC 20-14-3~~.  
 (4) **IC 36-12-3**.

(c) Class 2 libraries that elect only ~~these~~ **the** sections **set forth in subsection (b)** retain the status of Class 2 libraries.

(d) The library board of ~~these~~ **the** Class 2 libraries that elect only ~~these~~ **the** sections **set forth in subsection (b)** shall file with the Indiana state library a copy of ~~that~~ **the** part of the library board's minutes showing passage of the board's resolution to elect: ~~IC 20-14-2-5~~, ~~IC 20-14-2-7~~, ~~IC 20-14-2-8~~,

- (1) **IC 36-12-2-22**;  
 (2) **IC 36-12-2-24**;  
 (3) **IC 36-12-2-25**; and ~~IC 20-14-3~~.  
 (4) **IC 36-12-3**.

(e) The election of ~~IC 20-14-2-5~~, ~~IC 20-14-2-7~~, ~~IC 20-14-2-8~~, and ~~IC 20-14-3~~ **IC 36-12-2-22**, **IC 36-12-2-24**, **IC 36-12-2-25**, and **IC 36-12-3** is irrevocable.

[20-14-1-7] Sec. 12. ~~Sec. 7~~. (a) This section applies to a board of a public library that allows library patrons to use library software to access the Internet or other computer network.

(b) As used in this section, "computer network" has the meaning set forth in IC 35-43-2-3.

(c) The board of a public library shall adopt a policy concerning the appropriate use of the Internet or other computer network by library patrons in all areas of the library.

(d) The board shall make the policy adopted under subsection (c) readily available to all library patrons.



(e) The board of a public library shall annually review the policy adopted under subsection (c).

[20-14-1-8] Sec. 13. ~~Sec. 8:~~ A township trustee of a township that is:

(1) located in a county having a population of more than thirty-three thousand six hundred (33,600) but less than thirty-three thousand eight hundred (33,800); and

(2) not served by a public library;

may pay the cost of a library card at the nearest library for a resident of the township upon request of the resident.

## **Chapter 2. Class 1 Public Libraries: Organization and Board Members**

[20-14-2-1] Sec. 1. This chapter applies only to Class 1 public libraries.

[20-14-2-2] Sec. 2. (a) A Class 1 public library is a municipal corporation, known as \_\_\_\_\_ Public Library. ~~By this name it~~

**(b) In the name of the Class 1 public library established under subsection (a), the public library may:**

(1) contract and be contracted with; and

(2) sue and be sued in court.

~~(b)~~ (c) Each public library constitutes an independent taxing unit for purposes of IC 6-1.1-1-21.

[20-14-2-2] Sec. 3. ~~(c)~~ (a) The corporate boundaries of the public library must be described in the resolution of establishment, conversion, transfer, or merger filed:

(1) in the office of the county recorder in the county where the administrative office of the public library is located; and

(2) with the Indiana state library.

~~(d)~~ (b) When the corporate boundaries of a unit and a Class 1 public library are coextensive, territory annexed by the unit becomes part of the library district if the annexed territory is not already part of another library district. When a public library annexes territory ~~in this manner~~ **under this subsection**, the library board shall file a statement describing the annexed territory:

(1) in the office of the county recorder in the county where the administrative office of the public library is located; and

(2) with the Indiana state library.

If the territory annexed by a unit is already a part of another library district, ~~that the~~ territory remains a part of the other library district unless the library boards of both public libraries pass a resolution of transfer under ~~subsection (c)~~ **section 4 of this chapter.**

[20-14-2-2] Sec. 4. ~~(c)~~ One (1) public library may transfer a part of ~~its the~~ **territory of the library** to another public library according to the following procedure:

(1) The library boards of each public library must pass a resolution of transfer signed by a majority of the entire



membership of each library board agreeing to the transfer.

(2) ~~Both of~~ The library boards of **each public library** must include a description of the transferred territory in ~~their the~~ respective resolutions **of each public library**.

(3) Each of the library boards must file a copy of the resolution of transfer:

(A) in the office of the county recorder in the county where the **administrative office of the** respective public library is located; and

(B) with the Indiana state library.

[20-14-2-3] Sec. 5. ~~Sec. 3:~~ (a) The legislative body of a municipality, township, county, or part of a county, any of which is not already taxed for public library purposes, that has:

(1) a population of at least ten thousand (10,000); or

(2) an assessed valuation that is at least as high as the median of the most recent certified assessed valuation of the ten (10) library taxing districts closest in population to ten thousand (10,000);

may establish a public library for the residents of ~~that the~~ municipality, township, county, or part of the county.

(b) The establishment of the public library may be initiated either by:

(1) the legislative body passing a written resolution; or

(2) the filing of a petition with the legislative body that has been signed by at least twenty percent (20%) of the registered voters of the municipality, township, county, or part of a county, as determined by the last preceding general election.

(c) ~~If a petition is filed under subsection (b)(2), then~~ **Within Not later than** ten (10) days after ~~the filing a petition is filed under subsection (b)(2),~~ the municipality, township, county, or part of a county shall give notice of the filing of the petition in two (2) newspapers of general circulation in the county, one (1) of which is published in the municipality where the library is to be located, if a newspaper is published in the municipality.

(d) ~~Within Not later than~~ ten (10) days after the publication of the petition ~~any~~ **under subsection (c),** a registered voter in the municipality, township, county, or part of a county where the public library is proposed to be established may file with the respective municipality, township, or county a remonstrance that:

(1) is signed by registered voters in the municipality, township, county, or part of the county where the public library is proposed to be established; and

(2) states that ~~those the~~ registered voters who have signed the remonstrance are opposed to the establishment of the public library.

(e) The following apply to a petition that is filed under subsection (b)(2) or a remonstrance that is filed under subsection (d):



- (1) The petition or remonstrance must show the following:
  - (A) The date on which each ~~person~~ **individual** signed the petition or remonstrance.
  - (B) The residence of each ~~person~~ **individual** on the date the ~~person~~ **individual** signed the petition or remonstrance.
- (2) The petition or remonstrance must include an affidavit of the ~~person~~ **individual** circulating the petition or remonstrance stating that each signature on the petition or remonstrance:
  - (A) was affixed in the ~~person's~~ **individual's** presence; and
  - (B) is the true signature of the ~~person~~ **individual** who signed the petition or remonstrance.
- (3) Several copies of the petition or remonstrance may be executed. The total of the copies constitute a petition or remonstrance. A copy must include an affidavit as described in subdivision (2). ~~Any signer~~ **An individual who signed the petition, remonstrance, or copy** may file the petition, the remonstrance, or ~~any~~ **a** copy. All copies constituting a petition or remonstrance must be filed on the same day.
- (4) The clerk of the circuit court in the county where the municipality, township, county, or part of a county where the public library that is proposed to be established is located shall do the following:
  - (A) If a name appears more than one (1) time on a petition or on a remonstrance, the clerk shall strike any duplicates of the name until the name appears only one (1) time on a petition or a remonstrance, or both, if the ~~person~~ **individual** signed both a petition and a remonstrance.
  - (B) Strike the name from either the petition or the remonstrance of ~~a person~~ **an individual** who:
    - (i) signed both the petition and the remonstrance; and
    - (ii) personally, in the clerk's office, makes a voluntary written and signed request for the clerk to strike the ~~person's~~ **individual's** name from the petition or the remonstrance.
  - (C) Not more than fifteen (15) days after a petition or remonstrance is filed, certify the number of signatures on the petition or remonstrance that:
    - (i) are not duplicates; and
    - (ii) represent ~~persons~~ **individuals** who are registered voters in the municipality, township, county, or part of a county where the public library is proposed to be established, on the day the ~~persons~~ **individuals** signed the petition or remonstrance.
  - (D) Establish a record of the clerk's certification in the clerk's office and file:
    - (i) the original petition;
    - (ii) the original remonstrance, if any; and



1                   (iii) a copy of the clerk's certification;  
2                   with the legislative body of the municipality, township, or  
3                   county.

4                   The clerk of the circuit court may only strike ~~a person's~~ **an**  
5                   **individual's** name from a petition or ~~a~~ remonstrance as set forth  
6                   in clauses (A) and (B).

7                   (f) ~~At its~~ **the first meeting of the legislative body** held at least ten  
8                   (10) days after the publication of the petition, the legislative body shall  
9                   compare the petition and any remonstrance. ~~When:~~ **Whenever:**

10                   (1) a remonstrance has not been filed; or  
11                   (2) a greater number of voters ~~have~~ **has** signed the petition than  
12                   ~~have~~ **has** signed the remonstrance against the establishment of the  
13                   public library;

14                   the legislative body shall establish by written resolution the public  
15                   library with a library district coextensive with the boundaries of the  
16                   unit or part of a county, whichever is applicable.

17                   (g) The establishment of the public library is effective as of the date  
18                   the written resolution is passed. The legislative body shall file a copy  
19                   of the resolution ~~within~~ **not later than** five (5) days **after the**  
20                   **resolution is passed:**

21                   (1) with the office of the county recorder in the county where the  
22                   administrative office of the public library is located; and  
23                   (2) with the Indiana state library.

24                   ~~(g)~~ **(h)** The legislative body shall give notice to ~~all~~ **the** officials who  
25                   have the power to appoint members of the library board for the new  
26                   public library under ~~IC 20-14-2.5-4~~ **and these section 9 of this**  
27                   **chapter. The** officials shall appoint the library board for the new  
28                   public library under ~~IC 20-14-2.5-4~~ **section 9 of this chapter** as soon  
29                   as possible after ~~their notification~~ **the officials are notified.**

30                   ~~(h)~~ **(i)** When ~~an equal or greater~~ **the** number of registered voters  
31                   **who** have signed a remonstrance against the establishment of the  
32                   public library **is equal to or greater** than the number who have signed  
33                   the petition in favor of the establishment of the public library, ~~then~~ the  
34                   legislative body shall dismiss the petition. Another petition to establish  
35                   a public library may not be initiated until one (1) year after the date the  
36                   legislative body dismissed the latest unsuccessful petition.

37                   [20-14-2-3.1] Sec. 6. ~~Sec. 3-1:~~ (a) The following apply to a petition  
38                   or remonstrance filed under section ~~3~~ **5** of this chapter:

39                   (1) The petition or remonstrance must show the following:  
40                   (A) The date on which each ~~person~~ **individual** signed the  
41                   petition or remonstrance.  
42                   (B) The residence of each ~~person~~ **individual** on the date the  
43                   **person individual** signed the petition or remonstrance.  
44                   (2) The petition or remonstrance must include an affidavit of the  
45                   **person individual** circulating the petition or remonstrance stating  
46                   that each signature on the petition or remonstrance:



- 1 (A) was affixed in the ~~person's~~ **individual's** presence; and
- 2 (B) is the true signature of the ~~person~~ **individual** who signed
- 3 the petition or remonstrance.
- 4 (3) The clerk of the circuit court or the board of registration shall
- 5 do the following:
- 6 (A) Strike all names appearing more than one (1) time on the
- 7 petition or remonstrance.
- 8 (B) Certify the number of signatures on the petition or
- 9 remonstrance that:
- 10 (i) are not duplicates; and
- 11 (ii) represent ~~persons~~ **individuals** who are registered voters
- 12 in the county, the part of the county, or the municipality.
- 13 (b) The clerk of the circuit court shall complete the certification
- 14 required by subsection (a) not later than fifteen (15) days after the
- 15 petition or remonstrance is filed. [QUERY: CAN THIS SECTION
- 16 AND SUBSECTION (e) OF PRECEDING SECTION BE COMBINED
- 17 --REPEATS THE SAME INFORMATION, BUT (e) CONTAINS
- 18 ADDITIONAL INFORMATION AND ALLOWS INDIVIDUAL TO
- 19 HAVE NAME REMOVED]
- 20 [20-14-2.5-1] ~~Sec. 1: This chapter applies only to Class 1 public~~
- 21 ~~libraries.~~
- 22 [20-14-2.5-2] Sec. 7. ~~Sec. 2:~~ (a) Except as provided in subsection
- 23 (b), an appointee to a library board must:
- 24 (1) reside in the library district during the time the appointee is on
- 25 the library board; and
- 26 (2) have resided in the library district served by the public library
- 27 for at least the two (2) years immediately preceding the
- 28 appointment to the library board.
- 29 (b) This subsection does not apply to a public ~~libraries~~ **library**
- 30 established by a county. If part or all of one (1) or more townships are
- 31 contracting for service from a public library under ~~IC 20-14-3-6,~~
- 32 **IC 36-12-3-7**, the appointing authority, in making an appointment
- 33 under section ~~4(4)~~ **9(4)** of this chapter, may name a resident of one (1)
- 34 township to serve on the library board as ~~its~~ **the** appointment of **the**
- 35 **appointing authority**. However, the township appointee ceases to be
- 36 a member of the library board if the township in which ~~he~~ **the**
- 37 **appointee** resides fails to renew ~~its~~ **the township's** contract for library
- 38 service.
- 39 [20-14-2.5-3] Sec. 8. ~~Sec. 3:~~ (a) Except as provided in subsection
- 40 (b), an appointee to a library board may not serve more than four (4)
- 41 consecutive terms on the library board. The consecutive terms ~~shall be~~
- 42 **are** computed without regard to a change in the appointing authority
- 43 that appointed the member or the length of any term served by the
- 44 appointee. If:
- 45 (1) a member's term is interrupted due to the merger of at least
- 46 two (2) public libraries under ~~IC 20-14-4,~~ **IC 36-12-4;** and



(2) the member is reappointed to the merged public library board; the term that was interrupted may not be considered in determining the number of consecutive terms a member may serve on a library board.

(b) This subsection applies to a library board for a library district having a population of less than three thousand (3,000). If an appointing authority conducts a diligent but unsuccessful search for a qualified ~~person~~ **individual** who wishes to be appointed to serve on the library board:

(1) the appointing authority may reappoint a board member who has served four (4) or more consecutive terms; and

(2) state funds may not be withheld from distribution to the library.

The appointing authority shall file with the library board a written description of the search that was conducted under this subsection. ~~This~~ **The** record becomes a part of the official records of the library board.

[20-14-2.5-4] Sec. 9. ~~Sec. 4:~~ Except as provided in section ~~9-5~~ **15** of this chapter, and subject to section ~~10~~ **16** of this chapter, seven (7) members of a library board shall be appointed as follows:

(1) One (1) member appointed by the executive of the county in which the library district is located, or if the district is located in more than one (1) county, jointly by the executives of the respective counties.

(2) One (1) member appointed by the fiscal body of the county in which the library district is located, or if the district is located in more than one (1) county, jointly by the fiscal bodies of the respective counties.

(3) Three (3) members appointed by the school board of the school corporation serving the library district. However, if there is more than one (1) school corporation serving the library district:

(A) two (2) members shall be appointed by the school board of the school corporation in which the principal **administrative** offices of the public library are located; and

(B) one (1) member shall be appointed by a majority vote of the presidents of the school boards of the other school corporations.

(4) One (1) member appointed under section ~~5(1), 6(b)(1), 7(1), 8(1), or 9(1)~~, **10(1), 11(b)(1), 12(1), 13(1), or 14(1)** of this chapter, as applicable.

(5) One (1) member appointed under section ~~5(2), 6(b)(2), 7(2), 8(2), or 9(2)~~, **10(2), 11(b)(2), 12(2), 13(2), or 14(2)** of this chapter, as applicable.

[20-14-2.5-5] Sec. 10. ~~Sec. 5:~~ This section applies to the appointment of members to the library board of a public library serving a library district that is located in more than one (1) county and is not





entirely located within the boundaries of one (1) municipality. For ~~such~~ a public library **under this section**, the appointments under section ~~4(4) 9(4)~~ and ~~section 4(5) 9(5)~~ of this chapter shall be made as follows:

(1) One (1) member appointed jointly by the executive of the respective counties.

(2) One (1) member appointed jointly by the fiscal bodies of the respective counties.

[20-14-2.5-6] Sec. 11. ~~Sec. 6:~~ (a) This section applies to the appointment of members to the library board of a public library serving a library district that is located in one (1) county and:

(1) has been established by a county or merged into a county public library;

(2) results from the merger of a public library into a county public library under ~~IC 20-14-4~~; **IC 36-12-4**;

(3) is located in part or all of two (2) or more townships and is not entirely located within the boundaries of one (1) municipality; or

(4) is located in part or all of two (2) or more municipalities.

(b) Subject to subsection (c), in a public library described in subsection (a), the appointments under section ~~4(4) 9(4)~~ and ~~4(5) 9(5)~~ of this chapter shall be made as follows:

(1) One (1) member appointed by the executive of the county in which the **library** district is located.

(2) One (1) member appointed by the fiscal body of the county in which the **library** district is located.

(c) This subsection applies to a county containing only two (2) Class 1 public libraries and having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand (145,000), or more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000). In a public library that is the result of a merger occurring after December 31, 1979, between a public library and a county contractual public library, the appointments under section ~~4(4) 9(4)~~ and ~~4(5) 9(5)~~ of this chapter shall be made as follows:

(1) One (1) member appointed by the executive of the municipality in which the principal **administrative** offices of the public library are located.

(2) One (1) member appointed by the legislative body of the municipality in which the principal **administrative** offices of the public library are located.

[20-14-2.5-7] Sec. 12. ~~Sec. 7:~~ This section applies to the appointment of members to the library board of a public library serving a library district that is entirely located in the unincorporated areas of the township. For ~~such~~ a public library **under this section**, the appointments under section ~~4(4) 9(4)~~ and ~~section 4(5) 9(5)~~ of this chapter shall be made as follows:

(1) One (1) member appointed by the executive of the township



1 in which the **library** district is located.

2 (2) One (1) member appointed by the legislative body of the  
3 township in which the **library** district is located.

4 [20-14-2.5-8] Sec. 13. ~~Sec. 8:~~ This section applies to the  
5 appointment of members to the library board of a public library serving  
6 a library district that is entirely located in one (1) township and  
7 includes part or all of only one (1) municipality. For ~~such~~ a public  
8 library **under this section**, the appointments under section ~~4(4)~~ **9(4)**  
9 and ~~section 4(5)~~ **9(5)** of this chapter shall be made as follows:

10 (1) One (1) member appointed by the legislative body of the  
11 township in which the **library** district is located.

12 (2) One (1) member appointed by the legislative body of the  
13 municipality in which the **library** district is located.

14 [20-14-2.5-9] Sec. 14. ~~Sec. 9:~~ This section applies to the  
15 appointment of members to the library board of a public library serving  
16 a library district that is entirely located within the boundaries of one (1)  
17 municipality. For ~~such~~ a public library **under this section**, the  
18 appointments under section ~~4(4)~~ **9(4)** and ~~section 4(5)~~ **9(5)** of this  
19 chapter shall be made as follows:

20 (1) One (1) member appointed by the executive of the  
21 municipality in which the **library** district is located.

22 (2) One (1) member appointed by the legislative body of the  
23 municipality in which the **library** district is located.

24 [20-14-2.5-9.5] Sec. 15. ~~Sec. 9-5:~~ (a) This section applies to the  
25 library board of a library district:

26 (1) located in a county having a population of more than fifty-five  
27 thousand (55,000) but less than sixty-five thousand (65,000); and

28 (2) containing all or part of the territory of each school  
29 corporation in the county.

30 (b) Notwithstanding section ~~4~~ **9** of this chapter, the library board has  
31 the following members:

32 (1) One (1) member appointed by the executive of the county in  
33 which the library district is located and who is not a member of  
34 the county executive.

35 (2) One (1) member appointed by the fiscal body of the county in  
36 which the library district is located and who is not a member of  
37 the county fiscal body.

38 (3) One (1) member appointed by the legislative body of the most  
39 populous city in the library district and who is not a member of  
40 the city legislative body.

41 (4) One (1) member appointed by the school board of each school  
42 corporation having territory in the library district and who is not  
43 a member of a governing body of a school corporation.

44 (c) ~~A person~~ **An individual** who is appointed under subsection (b)  
45 to serve as a member of a library board must, before March 1 of each  
46 year, report to the member's appointing authority concerning the work



of the library board and finances of the library during the ~~prior~~  
~~preceding~~ calendar year, including the rate of taxation determined  
 under ~~IC 20-14-3-10~~. **IC 36-12-3-12.**

[20-14-2.5-10] Sec. 16. ~~Sec. 10:~~ (a) This section applies to the  
 appointment of members to a library board of a public library serving  
 a library district that is:

(1) partly or fully within the boundaries of a consolidated city;  
 and

(2) fully within the boundaries of one (1) county.

(b) Seven (7) members of a library board shall be appointed in the  
 following order as the terms of previously appointed members expire:

(1) One (1) member appointed by the board of county  
 commissioners of the county in which the library district is  
 located.

(2) One (1) member appointed by the fiscal body of the county in  
 which the library district is located.

(3) One (1) member appointed by the board of county  
 commissioners of the county in which the library district is  
 located.

(4) Two (2) members appointed by the school board of the school  
 corporation in which the principal **administrative** offices of the  
 public library are located.

(5) One (1) member appointed by the board of county  
 commissioners of the county in which the library district is  
 located.

(6) One (1) member appointed by the fiscal body of the county in  
 which the library district is located.

[20-14-2.5-11] Sec. 17. ~~Sec. 11:~~ The four (4) additional members of  
 a county contractual library board required by ~~IC 20-14-6-5~~  
**IC 36-12-6-2** shall be appointed as follows:

(1) Two (2) members appointed by the executive of the county in  
 which the county contractual library district is located.

(2) Two (2) members appointed by the county superintendent of  
 schools, or if there is no county superintendent of schools, by the  
 county auditor of the county in which the library district is  
 located.

[20-14-2.5-12] Sec. 18. ~~Sec. 12:~~ (a) Subject to subsection (b), the  
 term of a library board member is four (4) years. A member may  
 continue to serve on a library board after ~~his the member's term has~~  
~~expired expires~~ until ~~his the member's~~ successor is qualified under  
 section ~~13~~ **19** of this chapter. The term of the member's successor is not  
 extended by the time that has elapsed before the successor's  
 appointment and qualification. If a member is appointed to fill a  
 vacancy on a library board, ~~his the member's~~ term is the unexpired  
 term of the member being replaced.

(b) Except for a library board whose membership is established



under section ~~9-5~~ **15** of this chapter, for the purposes of establishing staggered terms for the members of a library board, the initial members shall serve the following terms:

(1) One (1) year for one (1) member appointed under section ~~4(1), 4(5), 10(b)(1), 10(b)(2), or 11(1)~~ **9(1), 9(5), 16(b)(1), 16(b)(2), or 17(1)** of this chapter.

(2) Two (2) years for one (1) member appointed under section ~~4(3)(A), 4(4), 10(b)(3), 10(b)(4), or 11(2)~~ **9(3)(A), 9(4), 16(b)(3), 16(b)(4), or 17(2)** of this chapter.

(3) Three (3) years for one (1) member appointed under section ~~4(2), 4(3)(A), 10(b)(4), 10(b)(5), or 11(1)~~ **9(2), 9(3)(A), 16(b)(4), 16(b)(5), or 17(1)** of this chapter.

(4) Four (4) years for one (1) member appointed under section ~~4(3)(B), 10(b)(6), or 11(2)~~ **9(3)(B), 16(b)(6), or 17(2)** of this chapter.

(c) When an appointing authority appoints members to terms of different length under subsection (b), ~~he~~ **the appointing authority** shall designate which ~~appointee member~~ **member** serves each term.

[20-14-2.5-13] Sec. 19. ~~Sec. 13:~~ (a) An appointing authority under this chapter shall issue to each appointee to a library board a signed certificate of appointment.

(b) ~~Within~~ **Not more than** ten (10) days after the receipt of the certificate of appointment, the appointee shall take an oath of office, before ~~any person~~ **an individual** authorized by law to administer the oath, to the effect that ~~he~~ **the appointee** will faithfully discharge ~~his~~ **the appointee's** duties to the best of ~~his~~ **the appointee's** ability.

(c) The appointee shall file the certificate of appointment and the endorsed oath with the records of the public library, which shall be preserved as a public record.

[20-14-2.5-14] Sec. 20. ~~Sec. 14:~~ (a) A **library** board member may be removed at any time by the appointing authority, after public hearing, for any cause:

(1) that interferes with the proper discharge of ~~his~~ **the member's** duties as a member of the board; or

(2) that jeopardizes public confidence in the member.

(b) A vacancy occurs whenever a member is absent from six (6) consecutive regular board meetings for any cause other than illness. The appointing authority shall be notified by the secretary of the board of a vacancy.

[20-14-2.5-15] Sec. 21. ~~Sec. 15: All members~~ **A member** of a library board shall serve without compensation. ~~and~~ A board member may not serve as a paid employee of the public library, except the treasurer as provided in ~~10-20-14-2-5:~~ **section 22 of this chapter.**

[20-14-2-5] Sec. 22. ~~Sec. 5:~~ (a) The library board shall annually elect a treasurer of the public library. The treasurer may be either:

(1) a member of the library board; or



(2) an employee of the library.

However, the library director appointed under section 7 24 of this chapter may not also be treasurer.

(b) The library board may fix the rate of compensation for the services of the treasurer.

(c) The treasurer:

(1) is the official custodian of all library funds;

(2) is responsible for the proper safeguarding and accounting of all library funds;

(3) shall issue warrants approved by the library board in payment of expenses lawfully incurred in behalf of the public library; and

(4) shall make financial reports of library funds and present the reports to the library board every month.

(d) The library board may prescribe the powers and duties of the treasurer consistent with this chapter.

(e) The treasurer may be removed by the board at any regular or special meeting by a majority vote of the entire membership of the board.

(f) The board may elect a successor treasurer if a vacancy occurs in ~~that~~ the office.

(g) The treasurer shall give a surety bond for the faithful performance of ~~his~~ **the treasurer's** duty and for the accurate accounting of all money coming into ~~his~~ **the treasurer's** custody. The bond must be:

(1) written by an insurance company licensed to do business in Indiana;

(2) for the term of office of the treasurer;

(3) in an amount determined by the library board;

(4) paid for with the money from the library fund;

(5) payable to the state of Indiana;

(6) approved by the library board; and

(7) deposited in the office of the recorder of the county in which the library district is located.

[20-14-2-6] Sec. 23. ~~Sec. 6:~~ (a) Upon the creation of a new public library, the library board shall meet ~~within~~ **not later than** ten (10) days after a majority of the appointees have taken an oath of office. The organizational meeting may be called by any two (2) members. At ~~this~~ **the** meeting, the board shall:

(1) elect from ~~its~~ **the** members **of the board** a president, a vice president, a secretary, and other officers that the board determines are necessary; and ~~shall~~

(2) adopt bylaws for the board's procedure and management and for the management of the public library.

Officers of the board shall be elected annually.

(b) A majority of the **library board** members constitutes a quorum for the transaction of business. The library board shall meet:



(1) at least monthly; and

(2) at any other time a meeting is necessary.

Meetings may be called by the president or any two (2) board members. All meetings of the board, except necessary executive sessions of the officers, are open to the public.

[20-14-2-7] Sec. 24. ~~Sec. 7:~~ (a) The library board shall select a librarian who holds a certificate under ~~IC 20-14-12~~ **IC 36-12-11** to serve as the director of the library. The selection shall be made solely upon the basis of the candidate's training and proficiency in the science of library administration. The board shall fix the compensation of the director. The director, as the administrative head of the library, is responsible to the board for the operation and management of the library.

(b) The library board shall employ and discharge librarians and other ~~persons~~ **individuals** that are necessary in the administration of the affairs of the library. The board shall:

(1) fix and pay ~~their the~~ compensation;

(2) classify ~~them~~ and adopt schedules of salaries; and

(3) determine ~~their the~~ number and prescribe ~~their the~~ duties;

**of the librarians and other individuals, all** with the advice and recommendations of the library director.

(c) In exercising ~~its~~ **the powers of the library board** under this section, the library board may reimburse:

(1) candidates for employment for expenses reasonably incurred while interviewing; and

(2) new employees for ~~their the~~ reasonable moving expenses **of the employees.**

If the library board exercises ~~its~~ authority under this subsection, ~~it the~~ **board** shall establish reasonable levels of reimbursement for the purposes of this subsection.

(d) A library board may provide severance pay to a library employee who is involuntarily separated from employment with the library.

[20-14-2-8] Sec. 25. ~~Sec. 8:~~ (a) The residents or real property taxpayers of the library district taxed for the support of the library may use the facilities and services of the public library without charge for library or related purposes. However, the library board may:

(1) fix and collect fees and rental charges; and

(2) assess fines, penalties, and damages for the:

(A) loss of;

(B) injury to; or

(C) failure to return;

any library property or material.

(b) A library board may issue local library cards to:

(1) residents of the library district; or

(2) Indiana residents who are not residents of the library district; who apply for the cards.



(c) Except as provided in subsection (d), a library board must set and charge a fee for a local library card issued under subsection (b)(2). ~~to an Indiana resident who is not a resident of the library district.~~ The minimum fee that the board may set under this subsection is the greater of the following:

(1) The library district's operating fund expenditure per capita in the most recent year for which that information is available in the Indiana state library's annual "Statistics of Indiana Libraries".

(2) Twenty-five dollars (\$25).

(d) A library board may charge a reduced fee or not charge a fee for a local library card under subsection (c) that is issued to an Indiana resident who is:

(1) a student enrolled in a public school corporation that is located at least in part in ~~that the~~ library district; and

(2) not a resident of ~~that the~~ library district.

### **Chapter 3. Powers and Duties of Class 1 Public Libraries**

[20-14-3-1] Sec. 1. This chapter applies only to Class 1 public libraries.

[20-14-3-1.1] Sec. 2. ~~Sec. 1-1.~~ The library board shall comply with and participate in the statewide library card program described in IC 4-23-7.1-5.1. However, the library board may enter into a reciprocal borrowing agreement with another library board under ~~IC 20-14-3-6~~ **section 7 of this chapter** or IC 36-1-7 to:

(1) provide to; or

(2) receive from;

the other library board library service.

[20-14-3-2] Sec. 3. ~~Sec. 2.~~ The library board shall govern and set policy for all of the affairs of the public library. ~~It~~ **The library board** may:

(1) make rules for the discharge of ~~its~~ **the library board's** responsibilities; and ~~it may~~

(2) manage and insure all real and personal property belonging to the public library.

[20-14-3-3] Sec. 4. ~~Sec. 3.~~ **(a)** The library board may establish a sufficient number of:

(1) libraries;

(2) branch libraries; or

(3) stations;

that are conveniently located to serve the residents of the library district within the resources available.

**(b)** The **library** board may ~~also~~ provide suitable rooms, structures, facilities, furniture, apparatus, and other articles necessary for the thorough organization and efficient management of ~~these~~ **the** libraries.

**(c)** The **library** board may ~~also~~ provide for the establishment and operation of a museum to serve the residents of the library district.

[20-14-3-4] Sec. 5. ~~Sec. 4.~~ (a) The library board may:



- (1) acquire real or personal property by purchase, devise, lease, condemnation, or otherwise; and
- (2) own any real or personal property for purposes of the public library.

(b) The library board may:

- (1) sell;
- (2) exchange; or
- (3) otherwise dispose of;

real property no longer needed for library ~~purposed~~ purposes in accordance with IC 36-1-11.

(c) The library board may transfer personal property no longer needed for library purposes for no compensation or a nominal fee to an Indiana ~~not-for-profit~~ nonprofit library organization that is:

- (1) tax exempt; and
- (2) organized and operated for the exclusive benefit of the library disposing of the property;

without complying with IC 36-1-11.

(d) The library board may:

- (1) accept gifts of real or personal property; and
- (2) hold, mortgage, lease, or sell ~~this the~~ property as directed by the terms of the grant, gift, bequest, or devise;

when the action is in the interest of the public library.

[20-14-3-5] Sec. 6. ~~Sec. 5:~~ The library board may provide for ~~the~~:

- (1) ~~the~~ purchase and loan of books and other media of communication; and ~~for~~
- (2) ~~the~~ dissemination of information to the residents of the library district in any manner.

[20-14-3-6] Sec. 7. ~~Sec. 6:~~ (a) A library board may contract to provide or receive library service from the following municipal corporations:

- (1) Another public library.
- (2) Any unit.

(b) A contract for library service between a public library and another municipal corporation must outline the:

- (1) manner and extent of library service; and ~~the~~
- (2) amount of compensation for the extension of library service.

(c) **This subsection does not apply to municipal corporations described in section 8 of this chapter.** A municipal corporation receiving library service shall:

- (1) levy a tax sufficient to meet the amount of compensation agreed upon under the contract; and
- (2) expend all funds received under a contract for library services chargeable to the contract.

~~This subsection does not apply to municipal corporations described in section 6.1 of this chapter.~~

[20-14-3-6.1] Sec. 8. ~~Sec. 6.1:~~ (a) This section applies to municipal





corporations located in a county having a population of more than thirty-six thousand seventy-five (36,075) but less than thirty-seven thousand (37,000).

(b) A municipal corporation receiving library service under section 6 7 of this chapter shall:

(1) levy a tax sufficient to meet the amount of compensation agreed ~~upon~~ **on** under the contract; or

(2) make the contract payments with revenue derived from a tax being imposed before the contract is approved by the municipal corporation, including the ~~portion~~ **part** of local income tax revenue that is not required to be dedicated to providing property tax relief.

(c) A library board providing service shall expend all funds received under a contract for library services chargeable to the contract.

[20-14-3-7] Sec. 9. ~~Sec. 7:~~ (a) A library board may, by resolution, issue bonds for one (1) or more of the following purposes:

(1) The acquisition or improvement of library sites.

(2) The acquisition, construction, extension, alteration, or improvement of structures and equipment necessary for the proper operation of a library.

(3) To refund outstanding bonds and matured interest coupons and to issue and sell refunding bonds for that purpose.

(b) The library board shall advertise and sell bonds in compliance with IC 5-1-11 at any interest rate. The bonds are payable at the time the board fixes in the authorizing resolution, but all bonds must be payable within a period **of not to exceed more than** twenty (20) years from the date ~~of issue~~ **the bonds are issued.**

(c) Bonds issued under this section do not constitute a corporate obligation or indebtedness of any other political subdivision. ~~but~~ **Bonds issued under this section** constitute an indebtedness of the library district only. Bonds issued under this chapter, ~~together with~~ **and** the interest, are tax exempt. The board shall apply the proceeds from the sale of bonds only:

(1) for the purpose for which the bonds were issued; and ~~only~~

(2) to the extent necessary.

Any remaining balance shall be placed in a sinking fund for the payment of the bonds and the interest on the bonds.

[20-14-3-8] Sec. 10. ~~Sec. 8:~~ The library board may do the following:

(1) Adopt a resolution to make loans or issue notes for the purpose of refunding ~~those~~ **the** loans in anticipation of revenues of the library that are expected to be levied and collected during the term of the loans. The term of a loan made under this subdivision may not be more than five (5) years. Loans under this subdivision must be made in the following manner:

(A) The resolution authorizing the loans must appropriate and pledge to payment of the loans a sufficient amount of the



- 1 revenues in anticipation of which the loans are issued and out  
 2 of which the loans are payable.
- 3 (B) The loans must be evidenced by warrants or tax  
 4 anticipation notes of the library in terms designating:
- 5 (i) the nature of the consideration;  
 6 (ii) the time and place payable; and  
 7 (iii) the revenues in anticipation of which the loans are  
 8 issued and out of which the loans are payable.
- 9 (2) Borrow money from other persons.
- 10 (3) Issue, negotiate, and sell negotiable notes and bonds of the  
 11 public library.
- 12 (4) Levy, assess, and collect, at the same time and in the same  
 13 manner as other taxes of the public library are levied, assessed,  
 14 and collected, a special tax in addition to the tax authorized by  
 15 section ~~10~~ **12** of this chapter, sufficient to pay all yearly interest  
 16 on the bonded and note indebtedness of the public library.
- 17 (5) Provide a sinking fund for the liquidation of the principal of  
 18 the bond when ~~it~~ **the principal of the bond** becomes due.
- 19 [20-14-3-9] Sec. 11. ~~Sec. 9.~~ (a) A library board shall establish funds  
 20 to keep money and securities of the public library as follows:
- 21 (1) All money collected from tax levies, interest on investments,  
 22 fees, fines, rentals, and other revenues:
- 23 (A) shall be deposited into the library operating fund, except  
 24 as otherwise provided in this section; and
- 25 (B) must be budgeted and expended in the manner required by  
 26 law.
- 27 (2) All money received from the sale of bonds or other evidences  
 28 of indebtedness for the purpose of construction, reconstruction, or  
 29 alteration of library buildings, except the premium and accrued  
 30 interest on the bonds, shall be deposited into the construction  
 31 fund. ~~This~~ **The** money shall be appropriated and expended solely  
 32 for the purpose for which the indebtedness is created.
- 33 (3) All money derived from the taxes levied for the purpose of  
 34 retiring bonds or other evidence of indebtedness, ~~together with~~  
 35 **and** any premium or accrued interest that may be received, shall  
 36 be deposited into the bond and interest redemption fund. ~~This~~ **The**  
 37 fund shall be used for no other purpose than the repayment of  
 38 indebtedness.
- 39 (4) Money or securities may be accumulated in any library  
 40 improvement reserve fund for the purpose of anticipating  
 41 necessary future capital expenditures, such as:
- 42 (A) the purchase of land;  
 43 (B) the purchase and construction of buildings or structures;  
 44 (C) the construction of additions or improvements to existing  
 45 structures;  
 46 (D) the purchase of equipment; and



- 1           **(E)** all repairs or replacement of buildings or equipment.
- 2           (5) Money or securities accepted and received by the library
- 3           board as a grant, a gift, a donation, an endowment, a bequest, or
- 4           a trust may be:
- 5                (A) set aside in a separate fund or funds, and shall be
- 6                expended, without appropriation, in accordance with the
- 7                conditions and purposes specified by the donor; or
- 8                (B) set aside in an account with a nonprofit corporation
- 9                established for the sole purpose of building permanent
- 10              endowments within a community (referred to as a "community
- 11              foundation"). The earnings on the funds in the account, either:
- 12                  (i) deposited by the library; or
- 13                  (ii) accepted by the community foundation on behalf of the
- 14                  library;
- 15              may be distributed back to the library for expenditure, without
- 16              appropriation, in accordance with the conditions and purposes
- 17              specified by the donor. A community foundation that
- 18              distributes earnings under this clause is not required to make
- 19              more than one (1) distribution of earnings in a calendar year.
- 20           (6) All money received in payment for library services or for
- 21           library purchases made or to be made under the terms of a
- 22           contract between two (2) or more public libraries under section 6
- 23           7 of this chapter shall be deposited into the contractual service
- 24           fund. This money shall be:
- 25                (A) expended solely for the purposes specified in the contract;
- 26                and ~~shall be~~
- 27                (B) disbursed without further appropriation.
- 28           (b) The library board may invest excess funds in accordance with
- 29           IC 5-13-9.
- 30           [20-14-3-10] Sec. 12. ~~Sec. 10:~~ (a) The library board shall determine
- 31           the rate of taxation for the library district that is necessary for the
- 32           proper operation of the library. The library board shall certify the rate
- 33           to the county auditor. ~~and~~ The county auditor shall certify the tax rate
- 34           to the county tax adjustment board in the manner provided in IC 6-1.1.
- 35           An additional rate may be levied under section ~~8(5)~~ **10(4)** of this
- 36           chapter.
- 37           (b) If the library board fails to:
- 38                (1) give:
- 39                   (A) a first published notice to ~~its~~ **the board's** taxpayers of ~~its~~
- 40                   **the board's** proposed budget and tax levy for the ensuing year
- 41                   at least ten (10) days before the public hearing required under
- 42                   IC 6-1.1-17-3; and
- 43                   (B) a second published notice to ~~its~~ **the board's** taxpayers of
- 44                   **its the board's** proposed budget and tax levy for the ensuing
- 45                   year at least three (3) days before the public hearing required
- 46                   under IC 6-1.1-17-3; or



(2) finally adopt the budget and fix the tax levy not later than September 20;  
then the last preceding annual appropriation made for the public library is renewed for the ensuing year, and the last preceding annual tax levy is continued. ~~In this case,~~ **Under this subsection,** the treasurer of the library board shall report the continued tax levy to the county auditor, not later than September 20.

[20-14-3-11] Sec. 13. ~~Sec. 11:~~ A township may appropriate general revenue sharing funds that ~~it the township~~ receives under the federal State and Local Fiscal Assistance Act of 1972, as amended, to a Class 1 public library. Other units have authority under IC 36-10-2-4 to aid public libraries through any means available. Any general revenue sharing funds received by a public library shall be deposited in any of the funds outlined in section ~~9~~ **11** of this chapter. [QUERY - IS THERE A USC CITE FOR THE FEDERAL ACT?]

[20-14-3-12] Sec. 14. ~~Sec. 12:~~ When **required by** the interests of the library, ~~require it;~~ the library board may authorize ~~any a~~ member of the library board or ~~any person an individual in the employ of~~ **employed by** the library to be absent from the public library. The library board may pay out of ~~its the library's~~ funds the necessary hotel and board bills and transportation expenses of the member or ~~person~~ **individual** while absent in the interest of the public library.

[20-14-3-13] Sec. 15. ~~Sec. 13:~~ The library board may appropriate funds necessary to provide membership of the public library in local, state, and national associations of a civic, educational, professional, or governmental nature that have as their purpose the betterment and improvement of library operations.

[20-14-3-14] Sec. 16. ~~Sec. 14:~~ (a) The library board may adopt a resolution allowing money to be disbursed under this section for lawful library purposes.

(b) With the prior written approval of the library board and if the library board has adopted a resolution under subsection (a), claim payments may be made in advance of library board allowance for any of the following types of expenses:

- (1) Property or services purchased or leased from the ~~United States federal~~ government or ~~its the federal government's~~ agencies and the state, ~~its the state's~~ agencies, or ~~its the state's~~ political subdivisions.
- (2) Dues, subscriptions, and publications.
- (3) License or permit fees.
- (4) Insurance premiums.
- (5) Utility payments or connection charges.
- (6) Federal grant programs where:
  - (A) advance funding is not prohibited; and
  - (B) the contracting party posts sufficient security to cover the amount advanced.



(7) Grants of state funds authorized by statute.

(8) Maintenance and service agreements.

(9) Legal retainer fees.

(10) Conference fees.

(11) Expenses related to the educational or professional development of an individual employed by the library board, including:

(A) inservice training;

(B) attending seminars or other special courses of instruction; and

(C) tuition reimbursement;

if the library board determines that the expenditures under this subdivision directly benefit the library.

(12) Leases or rental agreements.

(13) Bond or coupon payments.

(14) Payroll costs.

(15) State, federal, or county taxes.

(16) Expenses that must be paid because of emergency circumstances.

(17) Other expenses described in a library board resolution.

Each payment of expenses lawfully incurred for library purposes must be supported by a fully itemized invoice or other documentation. The library director must certify to the library board before payment that each claim for payment is true and correct. ~~This~~ **The** certification must be on a form prescribed by the state board of accounts. The library board shall review and allow the claim at the library board's first regular or special meeting following the payment of a claim under this section.

(c) Purchases of books, magazines, pamphlets, films, filmstrips, microforms, microfilms, slides, transparencies, phonodiscs, phonotapes, models, art reproductions, and all other forms of library and audiovisual materials are exempt from the restrictions imposed by IC 5-22.

(d) The purchase of library automation systems must meet the standards established by the Indiana library and historical board under IC 4-23-7.1-11(b).

[20-14-3-15] Sec. 17. ~~Sec. 15.~~ This chapter does not limit other powers granted by any other law not in conflict with this chapter.

[20-14-3-16] Sec. 18. ~~Sec. 16.~~ (a) Subject to subsection (d), a library board or a person designated in writing by the library board may:

(1) collect money or library property; or

(2) compromise the amount of money;

that is owed to the library.

(b) A library board:

(1) shall determine the costs of collecting money or library property under this section; and



(2) may add the costs of collection, including reasonable attorney's fees, to money or library property that is owed and collected under this section.

(c) A library board or the library board's agent that collects money under this section shall deposit the money, less the costs of collection, in the account required by law.

(d) A person designated by the library board under subsection (a) may collect money from a person for the library only if the amount to be collected from the person is more than ten dollars (\$10).

(e) A library board may compromise claims made against the library.

#### **Chapter 4. Merger of Class 1 Public Libraries**

[20-14-4-1] Sec. 1. This chapter applies only to Class 1 public libraries.

[20-14-4-2] Sec. 2. (a) A public library may merge with any other public library.

(b) The merger of at least two (2) public libraries must be initiated by a majority of the entire membership of each library board signing a resolution initiating the planning of a merger.

[20-14-4-2.1] Sec. 3. ~~Sec. 2-1:~~ (a) Not more than thirty (30) days after a resolution calling for the planning of a merger is signed under section 2 of this chapter, each library board seeking to merge under this chapter shall appoint three (3) individuals to serve on a planning committee to develop a plan for the merger of the libraries.

(b) The plan for the merger must include the following information:

(1) A designation of the primary library that:

(A) is one (1) of the libraries seeking to merge; and

(B) will continue to exist as a legal entity following the merger.

(2) A description of the services to be offered by the merged library.

(3) The terms and conditions upon which the transfer of property among the merging libraries will be achieved.

(4) A ~~time~~ schedule for the merger process to begin and conclude.

(5) Any other pertinent matter.

(c) The plan must be completed not later than one (1) year from the date that the resolution calling for the planning of the merger is signed.

(d) Upon completion of the plan described in subsection (b), the plan shall be presented to the library board of each merging library for adoption.

(e) A merger is not considered final unless a majority of the membership of each library board adopts the plan by written resolution.

[20-14-4-3] Sec. 4. ~~Sec. 3:~~ (a) A copy of the resolution adopting the merger described in section ~~2-1(c)~~ **3(e)** of this chapter must be filed with:

(1) the county recorder in each county in which merging library



districts are located; and

(2) the Indiana state library.

(b) After the resolution adopting the merger is filed, each library board that is not the board of the primary library shall appoint four (4) members to serve with the primary library board on an interim board.

(c) The interim board has the same duties and powers of a public library board under ~~IC 20-14-3~~ **IC 36-12-3**.

(d) After the resolution adopting the merger is filed, the budgets of the merging libraries shall be:

(1) combined for the remainder of the current year; and ~~shall be~~

(2) administered by the interim board.

(e) The interim board described in subsection (b) is dissolved on December 31 of the year in which the merger takes place.

(f) The members of a merged library board shall be appointed ~~in accordance with IC 20-14-2.5~~ **under IC 36-12-2**, and the terms of office for the members of the merged library board begin January 1 following the dissolution of the interim board.

(g) If a merger takes place after December 31 but before July 1 of the ensuing year, the interim library board described in subsection (b) shall present a new budget and tax rate to the department of local government finance to receive a new tax levy for the merged library district.

(h) If a merger takes place after June 30 but before January 1 of the ensuing year, the merged library board described in subsection (f) shall present a new budget and tax rate to the department of local government finance to receive a new tax levy for the merged library district.

[20-14-4-5] Sec. 5. In the case of the merger of a municipal public library and a:

(1) county public library; or ~~a~~

(2) public library located in **whole or in part** ~~or in full~~ in a consolidated city;

the municipal public library shall merge into the county public library or public library located in **whole or in part** ~~or in full~~ in the consolidated city. The municipal board and the county board are then dissolved effective December 31 of the year of the merger and a newly created board shall take office January 1.

#### **Chapter 5. Expansion of Class 1 Public Libraries**

[20-14-5-1] Sec. 1. **(a) Sections 2 through 4 of this chapter apply** only to Class 1 public libraries that seek to expand into not more than one (1) township of a county.

[20-14-5.1-1] ~~Sec. 1.~~ **(b) Sections 5 through 12 of this chapter apply** to Class 1 public libraries that seek to expand into more than one (1) township of a county. ~~by an alternative method to the method under IC 20-14-5.~~ [QUERY: OK TO STRIKE?]

[20-14-5-2] Sec. 2. (a) The library board of ~~any~~ a public library may



1 file a proposed expansion with the township trustee and legislative  
 2 body of the township. The proposal must state that the public library  
 3 seeks to combine with a certain township or any part of a township not  
 4 being taxed for public library service to form a single library district.

5 (b) Except as provided in section 3 of this chapter, when a township  
 6 trustee and legislative body receive a proposal of expansion under this  
 7 section, the legislative body may agree to the expansion proposal by  
 8 written resolution.

9 [20-14-5-3] Sec. 3. (a) When the library board presents the township  
 10 trustee and legislative body with a proposal of expansion and an intent  
 11 to file a petition for acceptance of the proposal of expansion, **within not**  
 12 **later than** ten (10) days after the filing, the township trustee shall  
 13 publish notice of the proposal of expansion in the manner provided in  
 14 IC 5-3-1 in a newspaper of general circulation in the township.  
 15 Beginning the first day after the notice is published, and during the  
 16 period that ends sixty (60) days after the date of the publication of the  
 17 notice, ~~a person an individual~~ who is a registered voter of the township  
 18 or part of the township may sign one (1) or both of the following:

19 (1) A petition for acceptance of the proposal of expansion that  
 20 states that the registered voter is in favor of the establishment of  
 21 an expanded library district.

22 (2) A remonstrance in opposition to the proposal of expansion  
 23 that states that the registered voter is opposed to the establishment  
 24 of an expanded library district.

25 (b) A registered voter of the township or part of the township may  
 26 file a petition or a remonstrance, if any, with the clerk of the circuit  
 27 court in the county where the township is located. A petition for  
 28 acceptance of the proposal of expansion must be signed by at least  
 29 twenty percent (20%) of the registered voters of the township, or part  
 30 of the township, as determined by the most recent general election.

31 (c) The following apply to a petition that is filed under this section  
 32 or a remonstrance that is filed under subsection (b):

33 (1) The petition or remonstrance must show the following:

34 (A) The date on which each ~~person~~ **individual** signed the  
 35 petition or remonstrance.

36 (B) The residence of each ~~person~~ **individual** on the date the  
 37 ~~person~~ **individual** signed the petition or remonstrance.

38 (2) The petition or remonstrance must include an affidavit of the  
 39 ~~person~~ **individual** circulating the petition or remonstrance, stating  
 40 that each signature on the petition or remonstrance:

41 (A) was affixed in the ~~person's~~ **individual's** presence; and

42 (B) is the true signature of the ~~person~~ **individual** who signed  
 43 the petition or remonstrance.

44 (3) Several copies of the petition or remonstrance may be  
 45 executed. The total of the copies constitute a petition or  
 46 remonstrance. A copy must include an affidavit described in





subdivision (2). ~~Any~~ **A** signer may file the petition, remonstrance, or ~~any~~ **a** copy. All copies constituting a petition or remonstrance must be filed on the same day.

(4) The clerk of the circuit court in the county in which the township is located shall do the following:

(A) If a name appears more than one (1) time on a petition or on a remonstrance, the clerk must strike any duplicates of the name until the name appears only one (1) time on a petition or a remonstrance, or both, if the ~~person~~ **individual** signed both a petition and a remonstrance.

(B) Strike the name from either the petition or the remonstrance of ~~a person~~ **an individual** who:

- (i) signed both the petition and the remonstrance; and
- (ii) personally, in the clerk's office, makes a voluntary written and signed request for the clerk to strike the ~~person's~~ **individual's** name from the petition or the remonstrance.

(C) Certify the number of signatures on the petition and on any remonstrance that:

- (i) are not duplicates; and
- (ii) represent ~~persons~~ **individuals** who are registered voters in the township or the part of the township on the day the ~~persons~~ **individuals** signed the petition or remonstrance.

The clerk of the circuit court may only strike ~~a person's~~ **an individual's** name from a petition or a remonstrance as set forth in clauses (A) and (B).

(d) The clerk of the circuit court shall complete the certification required under subsection ~~(b)~~ **(c)** not more than fifteen (15) days after the petition or remonstrance is filed. The clerk shall:

- (1)** establish a record of certification in the clerk's office; and ~~shall~~
- (2)** file the original petition, the original remonstrance, if any, and a copy of the clerk's certification with the legislative body.

[20-14-5-5] Sec. 4. (a) Not more than forty (40) days after the certification of a petition and ~~a~~ remonstrance, if any, under section 3 of this chapter, the township legislative body shall compare the petition and any remonstrance.

(b) ~~When~~ **If** a remonstrance has not been filed or a greater number of voters have signed the petition than have signed the remonstrance, the legislative body shall agree to the expansion by written resolution. Not more than ten (10) days after the written resolution establishing an expanded library district is adopted, the legislative body shall submit a copy of the resolution for filing:

- (1) in the office of the county recorder in the county where the administrative office of the public library is located; and
- (2) with the Indiana state library.

The expansion is effective as of the date the written resolution is filed.



(c) When an equal or greater number of registered voters have signed a remonstrance against the establishment of an expanded library district than the number who have signed the petition in favor of the expansion, the legislative body shall dismiss the petition. Another petition to establish the expanded library district may not be initiated until one (1) year after the date the legislative body dismissed the latest unsuccessful petition.

[20-14-5.1-2] Sec. 5. ~~Sec. 2:~~ (a) The library board of a public library may file a proposed expansion with the legislative body of the county. The proposal must state that the public library seeks to combine with more than one (1) township or parts of more than one (1) township not being taxed for public library service to form a single library district.

(b) Except as provided in section ~~3~~ 6 of this chapter, when the legislative body of a county receives a proposal of expansion under this section, the legislative body may agree to the expansion proposal by written resolution.

[20-14-5.1-3] Sec. 6. ~~Sec. 3:~~ (a) When a library board presents the legislative body of a county with a proposal of expansion and an intent to file a petition for acceptance of the proposal of expansion, not later than ten (10) days after the intent is filed, the county auditor shall publish notice in the manner provided in IC 5-3-1 of the proposal of expansion in a newspaper of general circulation in the county. Beginning the first day after the notice is published, and during the period that ends sixty (60) days after the date of the publication of the notice, ~~a person~~ **an individual** who is a registered voter of ~~the~~ **an affected** township or **an affected** part of the township may sign one (1) or both of the following:

(1) A petition for acceptance of the proposal of expansion.

(2) A remonstrance petition in opposition to the proposal of expansion.

(b) Registered voters shall file a petition or ~~a~~ remonstrance, if any, with the clerk of the circuit court in the county where the townships are located. A petition for acceptance of the proposal of expansion must be signed by at least twenty percent (20%) of the registered voters of the townships or parts of townships, as determined by the most recent general election.

[20-14-5.1-4] Sec. 7. ~~Sec. 4:~~ (a) The following apply to a petition or remonstrance that is filed under section ~~3~~ 6 of this chapter:

(1) The petition or remonstrance must show the following:

(A) The date on which each ~~person~~ **individual** signed the petition or remonstrance.

(B) The residence of each ~~person~~ **individual** on the date the ~~person~~ **individual** signed the petition or remonstrance.

(2) The petition or remonstrance must include an affidavit of the ~~person~~ **individual** circulating the petition or remonstrance, stating that each signature on the petition or remonstrance:



- 1 (A) was affixed in the ~~person's~~ **individual's** presence; and
- 2 (B) is the true signature of the ~~person~~ **individual** who signed
- 3 the petition or remonstrance.
- 4 (3) Several copies of the petition or remonstrance may be
- 5 executed. The total of the copies constitutes a petition or
- 6 remonstrance. A copy must include an affidavit described in
- 7 subdivision (2). ~~Any~~ **A** signer may file a petition, remonstrance,
- 8 or ~~any~~ **a** copy. All copies constituting a petition or remonstrance
- 9 must be filed on the same day.
- 10 (4) The clerk of the circuit court of the county containing the
- 11 townships or parts of townships shall do the following:
- 12 (A) If a name appears more than one (1) time on a petition or
- 13 on a remonstrance, the clerk must strike any duplicates of the
- 14 name until the name appears only one (1) time on a petition or
- 15 a remonstrance, or both, if the ~~person~~ **individual** signed both
- 16 a petition and a remonstrance.
- 17 (B) Strike the name from a petition or remonstrance of ~~a~~
- 18 ~~person~~ **an individual** who personally, in the clerk's office,
- 19 makes a written and signed request for the clerk to strike the
- 20 ~~person's~~ **individual's** name.
- 21 (C) Certify the number of signatures on the petition and
- 22 remonstrance, if any, that:
- 23 (i) are not duplicates; and
- 24 (ii) represent ~~persons~~ **individuals** who are registered voters
- 25 in the townships or parts of townships on the day the ~~persons~~
- 26 **individuals** signed the petition or remonstrance.
- 27 The clerk of the circuit court may only strike ~~a person's~~ **an**
- 28 **individual's** name from a petition or a remonstrance as set forth
- 29 in clauses (A) and (B).
- 30 (b) The clerk of the circuit court shall complete the certification that
- 31 subsection (a) requires not more than fifteen (15) days after the petition
- 32 or remonstrance is filed.
- 33 [20-14-5.1-5] Sec. 8. ~~Sec. 5: The clerk of the circuit court shall~~
- 34 ~~complete the certification required by section 4 of this chapter not more~~
- 35 ~~than fifteen (15) days after the petition or remonstrance is filed:~~ The
- 36 clerk **of the circuit court** shall establish a record of the clerk's
- 37 certification **under section 7 of this chapter** in the clerk's office and
- 38 shall file the original petition, the original remonstrance, if any, and a
- 39 copy of the certification with the legislative body.
- 40 [20-14-5.1-7] Sec. 9. ~~Sec. 7:~~ A registered voter may file with the
- 41 clerk of the circuit court a remonstrance that:
- 42 (1) is signed by registered voters in townships or parts of
- 43 townships not already taxed for library purposes; and
- 44 (2) states that registered voters who have signed the remonstrance
- 45 are opposed to the establishment of the expanded library district.
- 46 [20-14-5.1-8] Sec. 10. ~~Sec. 8:~~ (a) Not more than forty (40) days after



the certification of a petition and remonstrance under section 58 of this chapter, the county legislative body shall compare the petition and any remonstrance.

(b) ~~When:~~ **If:**

(1) a remonstrance has not been filed; or

(2) a greater number of **registered** voters have signed the petition than have signed the remonstrance;

the county legislative body shall agree to the expansion by written resolution. The expansion is effective on the date the written resolution is filed.

(c) ~~When an equal or a greater~~ **If the** number of registered voters **who** have signed a remonstrance against the establishment of an expanded library district **is equal to or greater** than the number who have signed the petition in favor of the expansion, the legislative body shall dismiss the petition. Another petition to establish the expanded library district may not be initiated until one (1) year after the date the legislative body dismissed the latest unsuccessful petition.

[20-14-5.1-9] Sec. 11. ~~Sec. 9:~~ Not more than ten (10) days after a written resolution establishing an expanded library district is adopted, the legislative body shall send a copy of the resolution **to be filed:**

(1) ~~to be filed~~ in the office of the county recorder in each county where the library district is located; and

(2) ~~to be filed~~ with the Indiana state library.

[20-14-5.1-10] Sec. 12. ~~Sec. 10:~~ (a) ~~When If~~ not more than two (2) townships or parts of not more than two (2) townships are added to a library taxing district, at least one (1) of the initial appointments made to the library board by the county commissioners or the county council must be from one (1) of ~~those the~~ townships.

(b) ~~When If~~ more than two (2) townships or parts of more than two (2) townships are added to a library district, at least two (2) of the initial appointments made to the library board by the county commissioners or the county council must be from ~~those the~~ townships **that are added to the library district.**

(c) An appointment under this section may not be made before the expiration of a term in effect at the time the expansion is final.

**Chapter 6. County Contractual Libraries**

[20-14-6-1] Sec. 1. (a) This chapter applies only to Class 1 public libraries that have been established as county contractual libraries before July 1, 1992.

(b) A county contractual library established under this chapter shall operate under the name of \_\_\_\_\_ County Contractual Public Library.

[20-14-6-5] Sec. 2. ~~Sec. 5:~~ Four (4) citizens who have resided at least two (2) years in the county contractual library district shall be appointed to a library board under ~~IC 20-14-2-5-11. These~~ **IC 36-12-2-17. The** four (4) members, ~~together with~~ **and** the members



of the library board of the public library extending service, comprise a separate library board ~~and as the separate board that~~ shall exercise all powers and duties pertaining to library service. The library board of the county contractual public library shall be known and designated as the Board of Trustees of \_\_\_\_\_ County Contractual Public Library. The members of the library board of the public library extending service to the county shall continue:

(1) as a separate board; and ~~continue~~

(2) to exercise all powers and duties pertaining to library service to ~~their~~ **the board's** original library district.

[20-14-6-6] Sec. 3. ~~Sec. 6:~~ (a) The county contractual library board has all the powers and duties of other library boards under ~~IC 20-14-3~~, **IC 36-12-3**, except the power to issue bonds under ~~IC 20-14-3-7~~. **IC 36-12-3-9.**

(b) The county contractual library may not lease under ~~IC 20-14-10~~. **IC 36-12-10.**

[20-14-6-7] Sec. 4. ~~Sec. 7:~~ (a) ~~When~~ **If** a township, or part of a township, is contracting with a library that is extending service through a county contractual library, then the township or part of a township:

(1) shall cease to levy a separate tax for library purposes; and

(2) becomes a part of the county contractual library district.

(b) The tax levy for county contractual library purposes shall then be levied in the township or part of a township that has become part of the county contractual library district.

(c) ~~Any~~ **A** township that ceases to levy a tax for public library purposes in any year becomes a part of ~~its~~ **the township's** county library district or county contractual library district, if either library district exists at the time the township levy is discontinued. The county library or county contractual library tax shall then be levied in the townships.

## **Chapter 7. Class 2 Public Libraries**

[20-14-7-1] Sec. 1. This chapter applies only to Class 2 public libraries.

[20-14-7-1.1] Sec. 2. ~~Sec. 1.1:~~ The library board shall:

(1) comply with; and

(2) participate in;

the statewide library card program described in IC 4-23-7.1-5.1. However, the library board may enter into a reciprocal borrowing agreement with another library board under ~~IC 20-14-3-6~~ **or IC 36-12-3-7** to provide to or receive from the other library board library service.

[20-14-7-1.2] Sec. 3. ~~Sec. 1.2:~~ (a) A library board may issue local library cards to:

(1) residents of the library district; ~~or~~ **and**

(2) Indiana residents who are not residents of the library district; who apply for the cards.



(b) Except as provided in subsection (c), a library board must set and charge a fee for a local library card issued under subsection (a)(2). ~~to an Indiana resident who is not a resident of that library district.~~ The minimum fee that the board may set under this subsection is the greater of the following:

(1) The library district's operating fund expenditure per capita in the most recent year for which that information is available in the Indiana state library's annual "Statistics of Indiana Libraries".

(2) Twenty-five dollars (\$25).

(c) A library board may charge a reduced fee or not charge a fee for a local library card under subsection (b) that is issued to an Indiana resident who is:

(1) a student enrolled in a public school corporation that is located at least in part in ~~that the~~ library district; and

(2) not a resident of that library district.

[20-14-7-2] Sec. 4. ~~Sec. 2:~~ (a) The library board of any public library established as a 1901 city or town library [QUERY: IS IT POSSIBLE TO IDENTIFY THESE LIBRARIES? IS IT POSSIBLE TO IDENTIFY THESE 1901 LIBRARIES BY COUNTY?] consists of qualified and experienced ~~persons~~ **individuals** of at least eighteen (18) years of age who have been residents of the municipality where the library is located for at least two (2) years immediately preceding ~~their~~ **the appointment of the individual**. The members shall be appointed for two (2) year terms as follows:

(1) The board of commissioners of the county where the library is located shall appoint one (1) member.

(2) The fiscal body of the county where the library is located shall appoint one (1) member.

(3) The municipal executive shall appoint one (1) member.

(4) The municipal legislative body shall appoint one (1) member.

(5) The school board of the school corporation where the library is located shall appoint three (3) members, who may be members of the school board.

(b) If a vacancy occurs on the library board for any cause, the appointing authority shall fill the ~~respective~~ vacancy. The appointing authority may at any time, for cause shown, remove ~~any a~~ member of the library board and appoint a new member to fill the vacancy ~~occasioned~~ **caused by this the** removal.

(c) The library board members shall serve without compensation.

(d) All appointments to membership on the library board ~~shall~~ **must** be evidenced by certificates of appointment signed by the appointing authority. Certificates of appointment shall be:

(1) handed to; or

(2) mailed to the address of;

the appointee. ~~Within~~ **Not later than** ten (10) days after receiving the certificates of appointment, ~~the appointees~~ **an appointee** shall take an



oath of office, before the clerk of the circuit court, that the appointee will faithfully discharge the appointee's duties as a member of the library board to the best of the appointee's ability. The appointee shall file the certificate, with the oath endorsed on it, with the clerk of the circuit court of the county in which the library is located.

(e) ~~Within~~ **Not later than** five (5) days after all the members of the library board have been appointed and have taken the oath of office, the members shall meet and organize by electing one (1) ~~of their number~~ **member as** president, one (1) **member as** vice president, and one (1) **member as** secretary. ~~They~~ **The members** shall also select committees or an executive board to carry on the work of the board ~~should they if~~ **the members** determine that committees or an executive board is necessary. ~~for this purpose.~~

(f) The facilities of a public library established as a 1901 city or town library are open and free for the use and benefit of all of the residents of the library district.

(g) The fiscal officer of the municipality operating a public library under this section shall prepare and file with the municipal legislative body, before January 16 each year, an itemized statement, under oath, of all the receipts and disbursements of the library board for the year ending December 31 immediately preceding the preparing and filing of the report. The report must contain an itemized statement of:

- (1) the sources of all receipts; ~~of~~
- (2) all disbursements made; and ~~of~~
- (3) the purpose for which each was made. ~~This~~

**The** annual report may be inspected by the citizens of the municipality and township in which the library is located.

[20-14-7-3] Sec. 5. ~~Sec. 3:~~ (a) ~~Any~~ **A** public library established as an 1881 city or county incorporation library [QUERY: IS IT POSSIBLE TO IDENTIFY THESE LIBRARIES?] that has filed the appropriate incorporation instrument in the proper recorder's office is a corporation and it possesses all the rights, powers, and privileges given to corporations by common law ~~to:~~

- (1) ~~to~~ sue and be sued;
- (2) ~~to~~ borrow money and secure the payment of the money by notes, mortgages, bonds, or deeds of trust upon the personal or real property of the public library;
- (3) ~~to~~ purchase, rent, lease, hold, sell, and convey real estate for the benefit of the corporation, and to erect and maintain suitable buildings to accomplish library purposes; and
- (4) ~~to~~ receive and accept donations, either of money or real estate, either by gift or devise, and to hold, use, mortgage, sell, and convey these donations for the benefit of the corporation, in the manner provided in the deed of gift or devise.

(b) The real and personal property of the corporation that is established as an 1881 city or county incorporation public library:



(1) is exempt from taxation for state, county, and municipal purposes; and

(2) remains exempt so long as the public library is used exclusively for the general benefit of the inhabitants of the city or county in which the library is located.

(c) The corporation may establish and maintain a gallery of art and public reading rooms in connection with ~~its~~ **the corporation's** library. The corporation may also maintain a public park either in connection with ~~its~~ **the corporation's** library building or separate from the library building.

[20-14-7-4] Sec. 6. ~~Sec. 4.~~ (a) ~~Any~~ **A** public library established as an 1852 subscription library [QUERY: IS IT POSSIBLE TO IDENTIFY THESE 1852 LIBRARIES? ARE THERE STILL SUBSCRIPTION LIBRARIES? ARE THERE STILL SHAREHOLDERS?] is a municipal corporation and possesses the power to:

(1) sue and be sued; and

(2) receive by donation ~~any~~ books, money, paper, or other real or personal property ~~to be applied to effect the purposes of for~~ the library.

(b) The shareholders of the 1852 subscription library ~~who~~ are the inhabitants of the municipality who have subscribed money ~~toward for~~ the establishment of the library. **The shareholders** shall annually elect seven (7) directors on the first Monday in January. However, if ~~any an~~ annual election is omitted, the directors ~~shall~~ remain in office until the next annual election and until successors are chosen.

(c) The directors shall appoint one (1) ~~of their number~~ **director** to be president at ~~their the~~ meetings. ~~and he~~ **The president** may vote only in case of a tie vote. A majority of the directors constitutes a quorum. If a vacancy occurs among the directors, the remaining directors shall elect a new director to fill the vacancy, and the new director shall serve until the next annual election.

(d) The 1852 subscription library is governed by bylaws adopted by the directors of the public library.

(e) The directors may adopt a common seal at ~~their the~~ **the pleasure of the directors.**

(f) The directors may levy a tax on the shareholders not to exceed one dollar (\$1) on each share ~~in any during~~ one (1) year. In addition, at ~~their the~~ annual meeting, the shareholders may increase the tax to a sum not to exceed five dollars (\$5) on each share ~~in any during~~ one (1) year.

(g) The shareholders may:

(1) appoint a treasurer and a librarian; or ~~may~~

(2) remove the treasurer or librarian;

at ~~their the~~ **the pleasure of the shareholders.** [QUERY: DOES THIS ENTIRE SECTION CONCERN ONLY 1852 SUBSCRIPTION





**LIBRARIES?]**

[20-14-7-5.1] Sec. 7. ~~Sec. 5-1.~~ (a) The library board of ~~any~~ a library established as an 1899 township library consists of the school township trustee in the township where the library is located and two (2) residents of the township ~~to be~~ **who are** appointed by the board of commissioners of the county where the library is located. [QUERY: IS IT POSSIBLE TO IDENTIFY 1899 TOWNSHIP LIBRARIES?]  
Appointments are for a term of four (4) years. Members of the **library** board serve without compensation.

(b) The library board:

- (1) shall control the purchase of books and the management of the library;
- (2) shall possess and retain custody of any books remaining in the old township library in the township where the library is located;
- (3) may receive donations, bequests, and legacies on behalf of the library; and
- (4) may receive copies of all documents of the state available for distribution from the ~~public library commission and the state librarian.~~ **director of the state library.**

(c) The 1899 township library is the property of the school township. ~~and~~ The school township trustee is responsible for the safe preservation of the township library.

(d) Two (2) or more adjacent townships may unite to maintain a township library. The library is controlled by either:

- (1) a combined library board, which consists of each of the uniting township boards appointed under subsection (a); or
- (2) the one (1) township library board appointed under subsection (a) of the uniting townships that receives funding for the operation of the uniting township library.

(e) The legislative body of any township ~~within which there is that~~ **contains** a library established as an 1899 township library may levy a tax annually of not more than three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property assessed for taxation in the township. If the legislative body does not levy the tax, a petition signed by at least the number of registered voters required under IC 3-8-6-3 to place a candidate on the ballot may be filed with the circuit court clerk, who:

- (1) shall determine if an adequate number of voters have signed the petition; and
- (2) if an adequate number of voters have signed the petition, shall certify the public question to the county election board under IC 3-10-9-3. The county election board shall then cause to be printed on the ballot for the township the following question in the form prescribed by IC 3-10-9-4: "Shall a township library tax be levied?".

If a majority of the votes cast on ~~this~~ the question **in subdivision (2)**



are in the affirmative, the township trustee shall annually levy a tax of not less than one and sixty-seven hundredths cents (\$0.0167) ~~not and~~ **not** more than three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of property taxable in the township for the establishment and support of a township library. ~~This~~ **The** township tax shall be levied, assessed, collected, and paid according to the procedure outlined in IC 6-1.1.

(f) The tax levy under subsection (e) shall be discontinued when the question of discontinuing ~~this the~~ levy has been submitted to a vote according to the procedure provided in subsection (e) and the majority of the votes cast on the question is in the negative.

(g) If a public library that is open for the use of all the residents of the township is located in the township, ~~then~~ the proceeds of the tax collected under subsection (e) shall be paid to that public library.

(h) In ~~any a~~ township outside a city ~~in which there is~~ **that contains** a library:

(1) established by private donations of the value of **at least** ten thousand dollars (\$10,000), ~~or more~~, including the real estate and buildings used for the library; and

(2) used for the benefit of all the inhabitants of the township; the township trustee of the township shall annually levy and collect not more than two cents (\$0.02) on each one hundred dollars (\$100) upon the taxable property within the limits of the township. ~~This~~ **The** money shall be paid to the trustees of the library, to be applied by ~~them the~~ **trustees** for the purchase of books and the payment of the maintenance costs for the library. When it becomes necessary to purchase additional ground for the extension or protection of library buildings already established by private donation, the trustee, with the consent of the county legislative body, may annually levy and collect not more than one and sixty-seven hundredths cents (\$0.0167) on each one hundred dollars (\$100) of taxable property of the township for not more than three (3) years successively, to be expended by the trustees for the purchase of property and the ~~erection~~ **construction** and enlargement of library buildings.

(i) The 1899 township library is free to all the ~~inhabitants~~ **residents** of the township.

[20-14-7-6] Sec. 8. ~~Sec. 6:~~ (a) For ~~any a~~ public library established:

(1) by private donation;

(2) in a city having a population of more than one hundred twenty thousand (120,000) but less than one hundred fifty thousand (150,000);

(3) that contains at least twenty-five thousand (25,000) volumes;

(4) that has real property valued at at least one hundred thousand dollars (\$100,000); and

(5) that is open and free to the residents of the city;

a tax shall be levied and collected annually by the city according to



1 IC 6-1.1.

2 (b) The city legislative body shall levy the tax required under  
 3 subsection (a) in an amount not less than sixty-seven hundredths of one  
 4 cent (\$0.0067) ~~nor and not~~ more than one and sixty-seven hundredths  
 5 cents (\$0.0167) ~~upon~~ on each one hundred dollars (\$100) of the  
 6 assessed valuation of all the real and personal property in the city.  
 7 When the city levies ~~this the~~ tax, ~~it the library under subsection (a)~~  
 8 shall be treated as if ~~it the library was were~~ a public library for  
 9 purposes of IC 6-1.1-18.5-13, and ~~it the legislative body~~ may increase  
 10 ~~its the legislative body's~~ levy to the same extent as a public library  
 11 under ~~that section~~ **IC 6-1.1-18.5-13.**

12 (c) The tax shall be paid to the trustees of the library. ~~and~~ The  
 13 trustees shall expend the tax for the support, operation, and  
 14 maintenance of the library. The trustees shall keep the tax separate  
 15 from all other funds. The trustees shall record:

- 16 (1) the amount of taxes received;
- 17 (2) to whom and when paid out; and
- 18 (3) for what purpose;

19 in a book kept by ~~them the~~ **trustees**. The trustees shall make an annual  
 20 report of ~~these the~~ matters **under this subsection** to the legislative  
 21 body of the city.

#### 22 **Chapter 8. Library Services Authorities**

23 [20-14-8-1] Sec. 1. (a) This chapter applies to the following: ~~which~~  
 24 ~~are referred to as "qualified entities" in this chapter.~~

- 25 (1) All public libraries.
- 26 (2) All other libraries that are supported by public funds but that
- 27 are not organized under this article.
- 28 (3) All private corporations or organizations that provide library
- 29 services.
- 30 (4) All library service authorities established under this chapter.

31 (b) The purpose of this chapter is to:

- 32 (1) encourage the development of all types of library services; and
- 33 (2) promote the efficient use of finances, personnel, materials, and
- 34 property;

35 by enabling qualified entities to form library services authorities that  
 36 will provide such services and facilities as the qualified entities  
 37 determine.

38 [20-14-8-2] Sec. 2. ~~(c)~~ As used in this ~~section~~, **chapter**, "library  
 39 facilities" means:

- 40 (1) buildings, bookmobiles, rooms, or other definable and
- 41 palpable structures or areas; and
- 42 (2) the library materials and equipment contained ~~therein in the~~
- 43 **buildings, bookmobiles, rooms, or other definable and**
- 44 **palpable structures or areas;**

45 that are used in the operation or provision of library services.

46 [20-14-8-2] Sec. 3. ~~(d)~~ As used in this ~~section~~, **chapter**, "library



services" means ~~those~~ **the** activities in which libraries engage:

- (1) in the planning, management, budgeting, financing, purchasing, staffing, and evaluation of ~~their~~ **the** libraries;
- (2) in the selection, acquisition, processing, and maintenance of ~~their~~ **the** collections of materials and the related bibliographic records; and
- (3) in the promotion, interpretation, servicing, and use of ~~their~~ **the** library materials and facilities.

[20-14-8-1] Sec. 4. **As used in this chapter, "qualified entities" include the following:**

- (1) **A public library.**
- (2) **A library that is supported by public funds but not established under this article.**
- (3) **A private corporation or organization that provides library services.**
- (4) **A library service authority established under this chapter.**

[20-14-8-2] Sec. 5. ~~Sec. 2:~~ (a) Two (2) or more qualified entities, less than ~~half~~ **one-half (1/2)** of which may be private corporations or organizations, may initiate a library services authority under this chapter by adopting a written joint agreement. The body or officer having the authority to sign contracts on behalf of a corporation or **an** organization may sign the joint agreement on behalf of ~~that the~~ corporation or organization.

(b) The joint agreement must include the following details of the proposed library services authority:

- (1) The name, to be given as \_\_\_\_\_ Library Services Authority.
- (2) The official address and county of location of the principal place of business.
- (3) A description of the library facilities to be operated and the library services to be provided.
- (4) Specification of the place and of the convening ~~chairman~~ **chairperson** who shall set the date and the time of the organizational meeting of the board of directors **established under this chapter** and who shall serve as temporary ~~chairman~~ **chairperson**.
- (5) The names of the qualified entities signing the agreement, which are to become participants in the library services authority.
- (6) The date of the agreement.

[20-14-8-3] Sec. 6. ~~Sec. 3:~~ (a) Upon the adoption of the joint agreement calling for the establishment of the library services authority by two (2) or more of the qualified entities, the agreement shall be submitted to the attorney general, ~~of Indiana~~ who shall determine whether the agreement is:

- (1) in proper form; and
- (2) compatible with ~~the laws of the state:~~ **Indiana law.**



The attorney general shall approve each of these agreements ~~agreement submitted to him unless he~~ **the attorney general finds that** ~~they are the agreement is not legal. in which case he~~ **If the attorney general finds that an agreement is not legal, the attorney general** shall detail in writing, addressed to each of the qualified entities adopting the agreement for the establishment of the library services authority, the specific respects in which the proposed agreement fails to meet the requirements of law. Failure to disapprove an agreement submitted under this chapter within thirty (30) days ~~of its~~ **after the submission of the agreement** constitutes approval of the agreement.

(b) The library services authority initiated by the joint agreement is legally established when the attorney general has approved the agreement either by:

(1) specific written approval; or ~~by~~

(2) the failure to indicate disapproval within the required time.

The qualified entities originally signing the agreement are members of the library services authority. A copy of the agreement and originally signed copies of the adopted resolutions, ordinances, orders, statements of participation, or other recorded acts ~~shall~~ **must** be filed with the Indiana state library ~~within~~ **not later than** forty (40) days after the date of the submission of the agreement to the attorney general for ~~his~~ action.

[20-14-8-4] Sec. 7. ~~Sec. 4:~~ The board of directors **of the library services authority** may change any detail ~~or details~~ of the joint agreement ~~as specified in~~ **under** this section upon the recommendation of the executive committee or petition of three (3) directors, if notice of the proposed change is sent to each qualified entity that is a participant in the library services authority at least sixty (60) days before the meeting at which the change is to be considered. However, the application **under section 8 of this chapter** of a new qualified entity may be considered at any time. Upon approval of the change of the joint agreement, a notice of the action taken by the board of the library services authority ~~shall~~ **must** be filed with the Indiana state library.

[20-14-8-5] Sec. 8. ~~Sec. 5:~~ (a) After the legal establishment of the library services authority ~~as provided by~~ **under** this chapter, ~~any~~ **a** qualified entity may become a participant in the library services authority after:

(1) adoption by resolution, ordinance, order, statement of participation, or other recorded act of the joint agreement as then in force;

(2) providing for ~~its~~ **the qualified entity's** pro rata share, if any, of the library services authority's budget for the fiscal year in which the applicant wishes to join the authority;

(3) meeting all conditions provided in the bylaws or in the rules; and



(4) approval by a majority of the board of directors.

(b) If the qualified entity is a private corporation or organization and ~~its~~ **the qualified entity's** participation would create the same number or more private participants than other participants in the library services authority, ~~then its~~ **the qualified entity's** participation does not take effect until there are sufficient other participants, after the admission of the applicant, to comply with section ~~2(a)~~ **5(a)** of this chapter.

(c) The library services authority shall file with the Indiana state library an originally signed copy of the joint agreement and adopting action.

[20-14-8-6] Sec. 9. ~~Sec. 6:~~ (a) ~~Any~~ **A** qualified entity that is a participant in the library services authority may withdraw from the authority by ~~any~~ **a** recorded act of ~~that the~~ **the** qualified entity:

(1) after ~~it the~~ **the qualified entity** has made provisions for the payment and performance of ~~its the~~ **the qualified entity's** obligations; and

(2) upon notification to the library services authority, six (6) months before the end of the fiscal year in which ~~it the~~ **the qualified entity** is participating in the library services authority, that ~~it the~~ **the qualified entity** is discontinuing ~~its the~~ **the qualified entity's** participation in the library services authority.

(b) Upon discontinuing participation in the library services authority, the discontinuing qualified entity relinquishes ~~its the~~ **the qualified entity's** rights to any funds, supplies, materials, equipment, or other real or personal property held by or belonging to the authority and in which the qualified entity had a right by virtue of ~~its the~~ **the qualified entity's** participation, unless provision to the contrary is made by the official action of the board of directors.

(c) Upon the receipt of notification to discontinue participation and the satisfaction of all obligations by the withdrawing participant, the board of directors shall officially note the withdrawal and shall file notice of the resulting change in the joint agreement:

(1) in the office of the recorder of the county in which the authority's principal place of business is located; and

(2) with the Indiana state library.

(d) The library services authority is dissolved when:

(1) the board of directors of the authority votes to dissolve ~~it; the~~ **the library services authority;**

(2) ~~such the~~ **the** action is de facto by the notice of discontinuance of participation by the next to last remaining participant; or

(3) there is an excessive number of private qualified entities participating in the authority.

Upon the occurrence of any of ~~these the~~ **the** conditions **listed in this subsection**, the board of directors shall dispose of the assets by division among the participants at the time of dissolution and in the



proportion and in the manner determined by the board of directors.

(e) ~~The A~~ dissolution does not take effect until all legal and fiscal obligations of the library services authority have been satisfied and an official record of the dissolution is filed in the office of the recorder of the county in which the authority's principal place of business is located. Until ~~such the~~ satisfaction of obligations has occurred and the record of dissolution has been filed, the final members of the authority ~~shall~~ continue to be members.

[20-14-8-7] Sec. 10. ~~Sec. 7:~~ (a) ~~Within~~ **Not later than** ten (10) days after the legal establishment of the library services authority, each qualified entity that is participating shall appoint ~~its a~~ representative or representatives to the board of directors of the library services authority as follows:

(1) ~~When~~ **If** there are fewer than four (4) participants in the library services authority, each qualified entity shall appoint four (4) directors to the board of directors.

(2) ~~When~~ **If** there are more than three (3) but fewer than ten (10) participants in the library services authority, each qualified entity shall appoint two (2) directors.

(3) ~~When~~ **If** there are ten (10) or more participants in the library services authority, each qualified entity shall appoint one (1) director.

(b) A director may be a member of the governing body of the qualified entity, a librarian, or any other person who in the opinion of the qualified entity will best serve the library interests of the qualified entity.

[20-14-8-8] Sec. 11. ~~Sec. 8:~~ (a) Upon the expiration of the ten (10) day period prescribed by section ~~7~~ **10** of this chapter, the directors who have been appointed shall meet as specified in the joint agreement and determine by lot, in as nearly equal groups as possible, as follows:

(1) The one-third (1/3) of the directors who have an initial term of one (1) year.

(2) The one-third (1/3) **of the directors** who have an initial term of two (2) years.

(3) The one-third (1/3) **of the directors** who have an initial term of three (3) years.

(b) ~~This~~ **The** determination **under subsection (a)** is for the initial terms of office for all directors. After the initial terms end, all appointments to the board of directors are for three (3) years. Appointments to fill vacancies are for the unexpired term only.

[20-14-8-9] Sec. 12. ~~Sec. 9:~~ (a) Upon the determination of the initial terms of office of the directors, an executive committee shall be elected for a term of one (1) year from the membership of the board of directors by vote on nominations from the floor. The executive committee consists of:

(1) a president;



- (2) a vice president;
- (3) a secretary;
- (4) a treasurer; and
- (5) if the total number of directors for the library services authority exceeds eight (8), three (3) members at large.

The named offices have the duties and powers normally incumbent upon ~~those~~ the offices.

(b) A director may not serve on the executive committee for more than four (4) consecutive years or in the same office for more than two (2) consecutive years. Executive committee elections shall be held annually in the manner prescribed by the bylaws of the library services authority.

(c) The treasurer:

- (1) is the official custodian of all library services authority funds;
- (2) is responsible for the proper safeguarding and accounting for all library services authority funds;
- (3) shall issue warrants approved by the executive committee or the board in payment of expenses lawfully incurred in behalf of the library services authority; and
- (4) shall make financial reports of library services authority funds and present the reports to the executive committee or board of **directors** as requested by the executive committee or board.

(d) The board of **directors** may prescribe the powers and duties of the treasurer consistent with this chapter.

(e) The treasurer shall give a surety bond for the faithful performance of ~~his~~ the **treasurer's** duties and for the accurate accounting of all money coming into ~~his~~ the **treasurer's** custody. The bond must be:

- (1) written by an insurance company licensed to do business in Indiana;
- (2) for the term of office of the treasurer;
- (3) in an amount determined by the board of **director's**;
- (4) paid for with money from library services authority funds;
- (5) payable to the state; ~~of Indiana~~;
- (6) approved by the board of **director's**; and
- (7) deposited in the office of the recorder of the county in which the library services authority is located.

(f) The executive committee, with the approval of the board of directors, may appoint a person, who may be an employee of the library services authority, to serve as assistant treasurer. The assistant treasurer:

- (1) has ~~those~~ the duties specified by the executive committee or the board;
- (2) may be compensated for the performance of ~~his~~ the **treasurer's** duties; and
- (3) may be removed by the executive committee or the board of





**directors** at any meeting of the committee or board by a majority vote of the entire membership of the body.

[20-14-8-10] Sec. 13. ~~Sec. 10:~~ (a) ~~Within~~ **Not later than** ten (10) days after the approval of a new participant under section ~~5~~ **8** of this chapter, the new participant shall appoint as many directors as each of the other participants has appointed. The initial terms of the new directors shall be determined by the executive committee so that, as nearly as possible, the terms of one-third (1/3) of the total board of directors end each year.

(b) If the addition of a new participant increases the number of participants in the library services authority so that each participant would appoint fewer representatives to the board of directors, the board of directors shall be reestablished in the manner prescribed by section ~~7~~ **10** of this chapter.

(c) Immediately after the organizational meeting of the board of directors, the board shall adopt bylaws providing for the board's procedures and management.

[20-14-8-11] Sec. 14. ~~Sec. 11:~~ (a) The board of directors of the library services authority:

(1) shall nominate and elect ~~its~~ **the board of directors'** officers and participants of the executive committee;

(2) shall adopt bylaws, administrative procedures, and rules for the conduct of business of the board, the executive committee, and the library services authority;

(3) shall adopt a fiscal year;

(4) may change the address of the principal place of business of the authority;

(5) may consider and act upon recommendations of the executive committee in ~~those~~ **the** matters specified in this section;

(6) may adopt rules governing the termination of directors for cause; and

(7) may deal with other **appropriate** matters. ~~that may be appropriate.~~

(b) The board of directors shall meet at least annually. Special meetings may be called by the president or any three (3) directors. A quorum of appointed members of the board is required for the transaction of business. ~~and~~ A concurrence of two-thirds (2/3) of the directors present is necessary to approve or to authorize any action. A director may designate an individual to vote as proxy for that director if written authorization is delivered to the secretary of the executive committee before a board of directors meeting. If a director votes by means of a proxy, the director shall be considered present at the meeting of the board of directors for purposes of constituting a quorum under this subsection and section ~~5~~ **8** of this chapter.

(c) The executive committee of the library services authority shall manage and conduct the business of the library services authority.



However, unless otherwise properly delegated to the executive committee or administrative personnel in the bylaws, the board of directors must approve:

- (1) amendments to the joint agreement;
- (2) the budget;
- (3) statements of policy;
- (4) rules;
- (5) the development program and plans;
- (6) the appointment of or arrangement for the chief administrative officer;
- (7) legal matters;
- (8) purchases of property and equipment in accordance with IC 5-22;
- (9) contracts for the purchase of services, materials, equipment, and other real or personal property;
- (10) sales of services or material other than ~~those~~ **sales of services** for which the library services authority was created; and
- (11) the acceptance or release of participants in the authority and related matters.

(d) In the discharge of ~~its~~ **the executive committee's** duties, the executive committee shall meet at least quarterly. Special meetings may be called by the president or any two (2) participants of the **executive** committee. A majority of the committee participants constitutes a quorum for the transaction of business, and a concurrence of a majority of the participants of the **executive** committee is necessary to authorize any action.

(e) Except for the election of officers and adoption or amendment of the bylaws, the bylaws may provide that any action required or permitted to be taken at any meeting of the board **of directors** may be taken without a meeting if before ~~this~~ **the** action a written consent to the action is signed by a majority of the board of directors appointed under section ~~7~~ **10** of this chapter.

[20-14-8-12] Sec. 15. ~~Sec. 12.~~ For purposes of this chapter, a quorum consists of:

- (1) a majority of the appointed members of the board **of directors** when there are one hundred (100) or fewer participants in the library services authority; or
- (2) fifty-one (51) appointed members of the board **of directors** when there are more than one hundred (100) participants in the library services authority.

#### **Chapter 9. Powers and Duties of Library Services Authorities**

[20-14-9-1] Sec. 1. This chapter applies to library services authorities established under ~~IC 20-14-8.~~ **IC 36-12-8.**

[20-14-9-2] Sec. 2. A library services authority is a municipal corporation ~~it~~ **and** may exercise any powers, privileges, or authority exercised or capable of being exercised by a public agency of the state,



except that of levying taxes.

[20-14-9-3] Sec. 3. A library services authority may sue and be sued, and plead and be impleaded.

[20-14-9-4] Sec. 4. A library services authority may establish, manage, maintain, and operate the library facilities and provide the library services specified in the joint agreement creating the library services authority.

[20-14-9-5] Sec. 5. (a) A library services authority may:

(1) employ and delegate duties and responsibilities to a chief administrative officer and ~~any~~ other employees that may be necessary for the performance of the authority's functions, ~~alternatively, the library services authority may or~~ provide for a chief administrative officer or other employees by contract with:

(A) a library participant of the authority; ~~with~~

(B) another organization, institution, or company; ~~with~~

(C) an agency of government; or ~~with~~

(D) an individual;

(2) fix and pay the compensation of ~~these~~ the employees;

(3) determine ~~their~~ the number and ~~prescribe~~ their duties of the employees; and

(4) remove or discharge employees.

(b) In exercising ~~its~~ the powers under subsection (a)(1), the board of directors of the library services authority may reimburse:

(1) candidates for employment for expenses reasonably incurred while interviewing; and

(2) new employees for ~~their~~ reasonable moving expenses.

If the board of directors exercises ~~its~~ authority under this subsection, ~~it~~ the board shall establish reasonable levels of reimbursement for the purposes of this subsection.

[20-14-9-6] Sec. 6. A library services authority may purchase supplies, materials, and equipment to carry out the powers and duties of the board of directors.

[20-14-9-7] Sec. 7. A library services authority may acquire and hold property, real or personal, by purchase, devise, lease, gift, or otherwise, and sell, exchange, or otherwise dispose of property, real or personal, no longer needed for the purposes of the authority.

[20-14-9-8] Sec. 8. (a) The executive committee of the library services authority shall prepare and adopt a budget annually for the operating expenditures of the library services authority and shall calculate the share of ~~that~~ the budget to be charged to each participant in the authority according to the pro rata formula in ~~its~~ rules ~~as~~ ~~authorized~~ ~~adopted~~ by the board of directors. ~~This~~ The budget shall be submitted to the board of directors for adoption. After adoption of the budget by the board, the board shall submit a contract with the appropriate pro rata charges to each participant at least three (3) months before the fiscal year for which the budget of the participant is



1 to be adopted.

2 (b) Each participant in the library services authority that signs a  
3 contract for pro rata charges in the ensuing fiscal year **shall:**

4 (1) ~~shall~~ include ~~those the~~ charges in ~~its the~~ **participant's** budget  
5 for the ensuing fiscal year; and

6 (2) ~~shall~~ provide the necessary funds with which to pay ~~its the~~  
7 contractual obligations under ~~its the~~ **participant's** contract with  
8 the library services authority.

9 [20-14-9-9] Sec. 9. (a) The library services authority shall deposit,  
10 hold, and expend all funds coming into the possession of the library  
11 services authority in accordance with IC 5-11.

12 (b) ~~Any An~~ officer or employee of the library services authority who  
13 is authorized to receive or disburse or in any other way handle funds  
14 and securities of the authority shall give a corporate surety bond, in an  
15 amount specified in the rules, for the faithful performance of ~~his the~~  
16 duties **of the officer or employee** and the proper accounting of all  
17 money and other property that may ~~come into his hands or be~~ under ~~his~~  
18 **the control of the officer or employee**. The cost of the bond, including  
19 the cost of filing and recording, shall be paid out of funds of the library  
20 services authority.

21 (c) A library services authority may invest excess funds:

22 (1) in securities lawfully issued by any municipal corporation; or

23 (2) in accordance with IC 5-13-9.

24 However, deposits may not be made in excess of the amount of  
25 insurance protection afforded a participant or investor of any of these  
26 institutions.

27 (d) A library services authority may establish any special funds that  
28 may be necessary for the purpose of accumulating sufficient money  
29 over two (2) or more fiscal years for:

30 (1) the purchase of specified real property or major equipment;

31 (2) the making of improvements to real property owned by the  
32 library services authority; or

33 (3) providing fee-based services to members.

34 Each special fund must be established for a specific purpose and ~~shall~~  
35 ~~be~~ named for that purpose. Any funds accumulated but not expended  
36 under this subsection may be transferred and expended for any other  
37 legitimate purpose of the authority.

38 (e) The records of a library services authority are public records. All  
39 funds received, unless specifically excluded, are the property of the  
40 library services authority receiving them.

41 [20-14-9-10] Sec. 10. A library services authority may establish and  
42 maintain or participate in programs of employee benefits, which may  
43 include the lawful ~~disbursal~~ **disbursement** of funds for expenses  
44 related to the educational or professional development of an individual  
45 employed by the library services authority, including:

46 (1) inservice training;



1 (2) attending seminars or other special courses of instruction; and  
 2 (3) tuition reimbursement;  
 3 if the library services authority determines that the expenditures under  
 4 this section directly benefit the operation of the library facilities or the  
 5 provision of library services.

6 [20-14-9-11] Sec. 11. A library services authority may report  
 7 annually to each participant in the authority on the budget and  
 8 expenditures, services rendered, program, plans for development, and  
 9 any other information that may be appropriate.

10 [20-14-9-12] Sec. 12. A library services authority may enter into all  
 11 contracts and agreements necessary to the performance of the  
 12 authority's duties and the execution of ~~its~~ **the library services**  
 13 **authority's** powers under this chapter.

14 [20-14-9-13] Sec. 13. A library services authority may:

15 (1) establish and collect reasonable rates and charges for services  
 16 rendered to the participants in the authority or others using the  
 17 services of the authority; and

18 (2) require participants in the authority or others using the  
 19 services of the authority to make prepayments for certain services.

20 [20-14-9-14] Sec. 14. A library services authority may join and  
 21 participate in, through ~~its~~ designated employees or representatives, the  
 22 meetings and activities of state and national associations of a civic,  
 23 educational, professional, or governmental nature that have as their  
 24 purpose the betterment and improvement of library operations.

25 [20-14-9-15] Sec. 15. All property owned by the library services  
 26 authority and all revenues received by the authority are exempt from  
 27 taxation for all purposes.

## 28 **Chapter 10. Leasing of Library Property**

29 [20-14-10-1] Sec. 1. This chapter applies to the following public  
 30 corporations:

31 (1) ~~Any~~ **A** municipal corporation that operates and maintains  
 32 library facilities.

33 (2) Any other public corporation, established by statute, that  
 34 operates and maintains library facilities.

35 [20-14-10-2] Sec. 2. (a) A public corporation may lease a library  
 36 building or buildings for the use of the public corporation or of any  
 37 joint or consolidated public corporation of which ~~it~~ **the public**  
 38 **corporation** is a part or to which ~~it~~ **the public corporation**  
 39 contributes, under the following conditions:

40 (1) A lease may not be entered into for a period of more than forty  
 41 (40) years.

42 (2) Before a lease is entered into, there must first be filed with the  
 43 governing authority of the public corporation a petition signed by  
 44 fifty (50) or more resident taxpayers of the public corporation.

45 (3) After investigation, the governing authority must determine  
 46 that a need exists for the library building or buildings.



(4) The governing authority must determine that the public corporation cannot provide the necessary funds to pay the cost or ~~its the public corporation's~~ proportionate share of the cost of the library building or buildings required to meet the present needs.

(b) If two (2) or more public corporations propose to enter into a lease jointly, ~~then~~ joint meetings of the governing authority of the corporations may be held. Action taken is binding on ~~any a~~ public corporation only if the action is approved by ~~its the public corporation's~~ governing authority. ~~Any A~~ lease executed by two (2) or more public corporations as joint lessees must set out the amount of the ~~aggregate total~~ lease rental agreed upon to be paid by each. A lessee is entitled to occupancy only if the ~~aggregate total~~ rental is paid as stipulated in the lease. All rights of joint lessees under the lease must be proportionate to the amount of lease rental paid by each.

[20-14-10-3] Sec. 3. (a) A public corporation may enter into a lease under this chapter only with a ~~not-for-profit~~ **nonprofit** corporation organized under Indiana law for the sole purpose of:

- (1) acquiring real property;
- (2) building, improving, constructing, or renovating a suitable library building or buildings, including the necessary equipment and appurtenances;
- (3) leasing the library facilities to the public corporation or corporations; and
- (4) collecting the rentals and applying the proceeds from the rentals in the manner provided in this chapter.

(b) The lessor corporation shall act entirely without profit to the corporation, ~~its the corporation's~~ officers, directors, and members, but is entitled to the return of capital actually invested, which includes:

- (1) incorporation and organization expenses;
- (2) financing costs;
- (3) carrying charges;
- (4) legal, contractors', and architects' fees; and
- (5) any other capital cost.

The lessor corporation is also entitled to sums sufficient to pay interest on outstanding securities or loans, and the cost of maintaining ~~its corporation the corporation's~~ existence and keeping ~~its the corporation's~~ property free of encumbrance.

(c) Upon receipt of any amount of lease rental by the lessor corporation above the amount necessary to meet incidental corporate expenses and to pay interest on corporate securities or loans, the excess funds shall be applied to the redemption and cancellation of ~~its the corporation's~~ outstanding securities or loans as soon as this may be done.

[20-14-10-4] Sec. 4. (a) All contracts of lease must provide that:

- (1) the public corporation or corporations have an option to renew the lease for a further term, with like conditions; or



(2) the property covered by the lease may be purchased after six (6) years from the execution of the lease and before the expiration of the term of the lease, on the date or dates in each year that are fixed, at a price equal to the amount required to enable the lessor corporation owning the site to:

(A) liquidate by paying all indebtedness, with accrued and unpaid interest; and

(B) recover the expenses and charges of liquidation.

(b) However, the purchase price prescribed by subsection (a)(2) may not exceed the capital actually invested in the property by the lessor corporation represented by outstanding securities or indebtedness plus the cost of transferring the property and liquidating the lessor corporation.

(c) A lease may not provide that any public corporation is under ~~any~~ **an** obligation to purchase the leased library facilities or under ~~any~~ **an** obligation in respect to ~~any~~ **the** creditors, members, or other security holders of the lessor corporation.

[20-14-10-5] Sec. 5. (a) The lessor corporation proposing to provide a library building or buildings, including necessary equipment and appurtenances, shall submit to the lessee or lessees, before the execution of a lease, preliminary plans, specifications, and estimates for the building or buildings.

(b) The final plans and specifications shall be submitted to the state department of health, state fire marshal, and any other agencies that are designated by law to pass on plans and specifications for library buildings. The final plans and specifications must be approved by these agencies and the lessee or lessees in writing before the construction of the building or buildings.

[20-14-10-6] Sec. 6. The lease may provide that, as a part of the lease rental for the library building or buildings, the lessee or lessees shall agree **to**:

(1) ~~to~~ pay all taxes and assessments levied against or on account of the leased property;

(2) ~~to~~ maintain insurance on the property for the benefit of the lessor corporation; and

(3) ~~to~~ assume all responsibilities for repair and alterations with regard to the building or buildings during the term of the lease.

[20-14-10-7] Sec. 7. (a) The public corporation or corporations may, in anticipation of the acquisition of real property and any necessary construction of a library building or buildings, including the necessary equipment and appurtenances, enter into a lease with the lessor corporation before actual acquisition of real property and any construction of the building or buildings. However, ~~this~~ **the** lease may not provide for the payment of ~~any~~ lease rental by the lessee or lessees until the building or buildings are complete and ready for occupancy, at which time the stipulated lease rental **payments** may begin.



(b) The contractor must be required under the lease to furnish to the lessor corporation a bond satisfactory to the corporation conditioned upon the final completion of the building or buildings within a period that may be provided in the contract.

[20-14-10-8] Sec. 8. (a) When the lessor corporation and the public corporation or corporations have agreed upon the terms and conditions of ~~any~~ a lease proposed to be entered into under this chapter and before the final execution of the lease, notice of a hearing shall be given by publication to all interested persons. The hearing shall be held before the governing authority, on a day not earlier than ten (10) days after the publication of the notice.

(b) The notice of the hearing shall be published one (1) time in a newspaper of general circulation printed in the English language in the district of the public corporation or in each public corporation district if the proposed lease is a joint lease. If ~~no paper~~ a newspaper is not published in the district, ~~then~~ the notice shall be published in any newspaper of general circulation published in the county. The notice must name the ~~day~~, date, place, and ~~hour~~ time of the hearing and set forth a brief summary of the principal terms of the lease agreed upon, including:

- (1) the location;
- (2) the name of the proposed lessor corporation and character of the property to be leased;
- (3) the rental to be paid; and
- (4) the number of years the contract is to be in effect.

The proposed lease, drawings, plans, specifications, and estimates for the library building or buildings must be available for inspection by the public during the ten (10) day period **under subsection (a)** and at the meeting. All interested persons are entitled to be heard at the hearing regarding the necessity for the execution of the lease, and whether the rental provided for in the lease to be paid to the lessor corporation is a fair and reasonable rental for the proposed building or buildings. The hearing may be adjourned to a later date or dates, and following the hearing, the governing authority may either authorize the execution of the lease as originally agreed upon or it may make modifications that have been agreed upon by the lessor corporation. The lease rentals as set out in the published notice may not be increased. The cost of the publication of the notice shall be paid by the lessor corporation.

[20-14-10-9] Sec. 9. (a) ~~in the event~~ If the execution of the lease as originally agreed upon, or as modified by agreement, is authorized by the library board, the library board shall give notice of the signing of the lease by publication one (1) time in a newspaper of general circulation printed in the English language in the district of the public corporation or in each public corporation district if the proposed lease is a joint lease. If ~~no~~ a newspaper is not published in the district, ~~then~~ the notice shall be published in any newspaper of general circulation





published in the county.

(b) Fifty (50) or more taxpayers in the public corporation or corporations who will be affected by the proposed lease and who are of the opinion that ~~no necessity exists for~~ the execution of the lease **is not necessary**, or that the proposed rental ~~provided for~~ is not a fair and reasonable rental, may file a petition in the office of the county auditor of the county in which the public corporation or corporations are located. The petition must be filed **within not later than** thirty (30) days after the publication of notice of the execution of the lease and must set forth objections and facts showing that the execution of the lease is unnecessary or unwise, or that the lease rental is not fair and reasonable, as the case may be.

(c) Upon the filing of a petition, the county auditor shall immediately certify to the department of local government finance a copy of the petition, together with ~~such~~ other data that may be necessary ~~in order~~ to present the questions involved. Upon ~~the~~ receipt of the certified petition and information, the department of local government finance shall fix a time and place for a hearing of the matter not less than five (5) ~~not or~~ more than thirty (30) days after ~~its~~ **the department's** receipt of the petition and information. The hearing shall be held in the public corporation or corporations, or in the county where the public corporations are located.

(d) Notice of the hearing shall be given by the department of local government finance to the members of the library board and to the first ten (10) taxpayer-petitioners on the petition by a letter signed by the department of local government finance. The postage of the notice shall be prepaid, and the notice shall be addressed to the persons at their usual place of residence and mailed at least five (5) days before the date of the hearing. The decision of the department of local government finance on the appeal regarding the necessity for the execution of the lease and whether the rental is fair and reasonable is final. ~~Any A~~ lease may be amended by the parties by following the procedure ~~provided~~ under this chapter.

(e) ~~Any An~~ action to contest the validity of the lease or ~~any an~~ amendment to the lease or to enjoin the performance of any of the terms and conditions of the lease must be brought **within not later than** thirty (30) days after publication of notice of the execution of the lease or ~~any an~~ amendment to the lease by the library board of the public corporation or corporations. If an appeal has been taken to the department of local government finance, ~~then~~ action must be brought **within not later than** thirty (30) days after the decision of ~~that board~~ **the department**.

[20-14-10-10] Sec. 10. (a) The lessor corporation shall hold in fee simple the real property on which the **library** building or buildings exists or will be constructed. ~~Any A~~ public corporation or corporations proposing to lease the library building or buildings, either alone or



1 jointly with another public corporation that owns the property, may sell  
2 the property to the lessor corporation in fee simple.

3 (b) Before ~~this~~ **a sale under this section** may take place, the  
4 governing authority of the public corporation shall file a petition with  
5 the circuit court of the county in which the public corporation is located  
6 requesting the appointment of three (3) disinterested freeholders of the  
7 public corporation as appraisers to determine the fair market value of  
8 the real property. Upon their appointment, the three (3) appraisers shall  
9 fix the fair market value of the real property and report this amount to  
10 the circuit court ~~within~~ **not later than** two (2) weeks from the date of  
11 their appointment. The public corporation may then sell the real  
12 property to the lessor corporation for an amount not less than the  
13 amount ~~so~~ fixed as the fair market value by the appraisers. ~~This~~ **The**  
14 amount shall be paid in cash upon delivery of the deed by the public  
15 corporation to the lessor corporation.

16 [20-14-10-11] Sec. 11. (a) ~~Any~~ **A** corporation qualifying as a lessor  
17 corporation under this chapter may, in furtherance of ~~its corporate the~~  
18 **corporation's** purposes, issue and sell bonds and other securities.  
19 Mortgage bonds issued by a lessor corporation that are a first lien on  
20 the leased property are legal and proper investments for state banks and  
21 trust companies, insurance companies, and fiduciaries. ~~These~~ **The**  
22 bonds may be callable, with or without premiums, with accrued and  
23 unpaid interest upon notice provided in the mortgage indenture.

24 (b) All bonds and other securities issued by the lessor corporation  
25 ~~shall~~ **must** be advertised and sold in accordance with IC 5-1-11 at any  
26 interest rate.

27 (c) The approval of the ~~Indiana securities commission~~ **securities**  
28 **division of the Indiana secretary of state** is not required in  
29 connection with the issuance and sale of ~~any~~ bonds or other securities  
30 of a public corporation.

31 [20-14-10-12] Sec. 12. ~~Any~~ **A** public corporation may issue ~~its the~~  
32 **corporation's** general obligation bonds ~~for the purpose of procuring to~~  
33 **procure** funds to pay the cost of acquisition of real property. ~~Those~~  
34 **The** bonds must be authorized, issued, and sold in accordance with  
35 IC 6-1.1-20.

36 [20-14-10-13] Sec. 13. ~~Any~~ **A** public corporation that executes a  
37 lease under this chapter shall annually levy a special tax, in addition to  
38 other taxes authorized by law, sufficient to produce each year the  
39 necessary funds with which to pay the lease rental stipulated to be paid  
40 by the public corporation under the lease. ~~This~~ **A levy under this**  
41 **section** shall be reviewed in accordance with IC 6-1.1-17. The first tax  
42 levy shall be made at the first annual tax levy period following the date  
43 of the execution of the lease. The first annual levy must be sufficient  
44 to pay the estimated amount of the first annual lease rental payment to  
45 be made under the lease.

46 [20-14-10-14] Sec. 14. All property owned by a lessor corporation



contracting with a public corporation or corporations under this chapter, and all stock and other securities, including the interest or dividends issued by a lessor corporation, are exempt from all state, county, and other taxes, excluding the financial institutions tax and the inheritance taxes.

#### **Chapter 11. Library Certification Board**

[20-14-12-1] Sec. 1. This chapter applies to both Class 1 and Class 2 libraries.

[20-14-12-1.1] Sec. 2. ~~Sec. 1-1:~~ As used in this chapter, "board" refers to the Indiana library and historical board established under IC 4-23-7-2.

[20-14-12-1.2] Sec. 3. ~~Sec. 1-2:~~ As used in this chapter, "director" refers to the director of the Indiana state library appointed under IC 4-23-7.1-37.

[20-14-12-1.3] Sec. 4. ~~Sec. 1-3:~~ As used in this chapter, "practitioner" means ~~a person~~ **an individual** certified under this chapter.

[20-14-12-3] Sec. 5. ~~Sec. 3:~~ The board shall do the following:

(1) Prescribe and define grades of public library service and prescribe the qualifications that ~~persons~~ **individuals** must possess who are employed in each of the grades of public library service, giving due consideration to the population served, the income, and the salary schedule of each library.

(2) Make available the requirements for certification of all grades upon request and without charge to all prospective applicants.

(3) Issue certificates to candidates who apply for ~~them~~, **certificates** and who, by reason of their academic or technical training and experience, are found to be suitable ~~persons~~ **individuals** to certify.

(4) Prescribe and define ~~what constitutes the qualifications of a~~ library director, a head of a department or branch, or a professional assistant of a public library.

(5) Adopt under IC 4-22-2 rules that the board determines are necessary to administer this chapter.

[20-14-12-4] Sec. 6. ~~Sec. 4:~~ All library directors, library department or branch heads, and professional assistants, except those who are employed at school libraries or libraries of educational institutions, must hold a certificate under section 7 of this chapter.

[20-14-12-7] Sec. 7. (a) ~~A person~~ **An individual** who:

(1) desires to be certified as a librarian in ~~any~~ designated division, grade, or type of public library service; and

(2) possesses the qualifications prescribed in the rules of the board as essential to enable ~~a person~~ **an individual** to apply for a certificate;

may apply to the board for a certificate in any grade or grades of public library service.



(b) The application must be:

- (1) made on a form prescribed and supplied by the board; and
- (2) accompanied by the fee set by the board under section 11 of this chapter.

(c) If the application is found to be satisfactory, the applicant is entitled to a certificate in the grade or grades of public library service for which **the applicant** applied.

[20-14-12-8] Sec. 8. (a) ~~A person~~ **An individual** who is actively engaged or expects to engage actively in:

- (1) ~~any~~ **a** grade or class of private library service; or
- (2) the library service of ~~any~~ **a** school or other educational institution;

whether the ~~person~~ **individual** is or expects to be a library director, or the head of ~~any~~ **a** department or branch of a private library or of the library of a school or ~~an~~ **educational** institution, may apply for a certificate of ~~any~~ **a** grade or class.

(b) If ~~the person~~ **an individual** is found to be competent and qualified, ~~he the individual~~ shall be granted the certificate applied for in the same manner and subject to the same conditions as are provided for the certification of librarians in public libraries under section 7 of this chapter.

[20-14-12-9] Sec. 9. **To prevent unjust and arbitrary exclusions by other states of certified librarians who have complied with the requirements of Indiana law**, the board may adopt rules necessary for the reciprocal recognition of certificates for librarians issued by other states whose qualifications for library service are at least as high as the qualifications in Indiana. ~~in order to prevent unjust and arbitrary exclusions by other states of certified librarians who have complied with the requirements of Indiana law. In order~~ To effect this section, the board shall consider the recommendations of the American Library Association.

[20-14-12-10] Sec. 10. All fees collected under this chapter constitute a separate account of the state general fund, known as the library certification account, which shall be used to defray expenses incurred in the administration of this chapter. The balance in this account at the end of any fiscal year does not revert to the general fund but ~~shall be~~ **is** carried forward and ~~is~~ available for the succeeding fiscal year.

[20-14-12-11] Sec. 11. (a) The board shall adopt rules under IC 4-22-2 to set fees to be paid by an individual who applies for certification under section 7 of this chapter. If the board has not set a fee by rule for a particular type of application, the fee is one dollar (\$1).

(b) Payment of fees set under this section may be made by any of the following:

- (1) Cash.
- (2) A draft.



- 1 (3) A money order.
- 2 (4) A cashier's check.
- 3 (5) A certified check.
- 4 (6) A personal check.

5 If an individual pays a fee with an uncertified personal check and the  
6 check does not clear the bank, the board may void the certificate for  
7 which the check was received.

8 (c) Unless specified by the rules of the board, a fee is not refundable  
9 or transferable.

10 (d) Fees shall be paid to the library certification account established  
11 under section 10 of this chapter.

12 [20-14-12-12] Sec. 12. The office of the attorney general, under the  
13 conditions specified in this chapter, may receive, investigate, and  
14 prosecute complaints concerning a practitioner.

15 [20-14-12-13] Sec. 13. The director is responsible for investigation  
16 of complaints concerning a practitioner.

17 [20-14-12-14] Sec. 14. All complaints concerning a practitioner  
18 must be written, signed by the complainant, and initially filed with the  
19 director. Except for an employee of the attorney general's office acting  
20 in an official capacity, a complaint may be filed by any ~~person~~,  
21 **individual**, including a member of the board.

22 [20-14-12-15] Sec. 15. The director has the following duties and  
23 powers:

24 (1) The director shall make an initial determination as to the merit  
25 of a complaint. The director shall submit a copy of a complaint  
26 having merit to the board. Except as otherwise provided by this  
27 chapter, the board acquires jurisdiction over the complaint upon  
28 submission of the complaint to the board by the director.

29 (2) The director shall notify the practitioner of the nature and  
30 ramifications of the complaint and of the duty of the board to  
31 attempt to resolve the complaint through negotiation.

32 (3) The director shall report any pertinent information regarding  
33 the status of the complaint to the complainant.

34 (4) The director may investigate any written complaint against a  
35 practitioner. The director shall limit the investigation to areas that  
36 appear to be in violation of this chapter or rules adopted under  
37 this chapter.

38 (5) The director may:

39 (A) subpoena witnesses; or

40 (B) send for and compel the production of books, records,  
41 papers, and documents;

42 in relation to an investigation under this chapter. The circuit or  
43 superior court located in the county where a subpoena is to be  
44 issued shall enforce the subpoena.

45 [20-14-12-16] Sec. 16. For thirty (30) days after the director has  
46 notified the board and the practitioner that a complaint has been filed,



the director shall not conduct an investigation or take any action, unless requested by the board. If, during the thirty (30) days, the board requests an extension of the thirty (30) day period, the director shall extend the period for not more than twenty (20) days.

[20-14-12-17] Sec. 17. If before the director files a report with the attorney general under section 19 of this chapter, the director receives a statement:

(1) signed by the practitioner and the complainant; and

(2) stating that the complaint has been resolved;

the director may not take further action.

[20-14-12-18] Sec. 18. If at any time during the thirty (30) day period or an extension period described in section 16 of this chapter the board notifies the director of the board's intention not to proceed further to resolve the complaint, the director may proceed immediately to continue to pursue the complaint under this chapter.

[20-14-12-19] Sec. 19. If there has not been a statement filed under section 17 of this chapter, and if after conducting an investigation the director believes the practitioner should be subject to disciplinary sanctions by the board, the director shall file a report with the attorney general. Upon receiving the director's report, the attorney general may prosecute the matter before the board on behalf of the state.

[20-14-12-20] Sec. 20. Notwithstanding section 19 of this chapter, if the board requests, the attorney general shall prosecute the matter before the board on behalf of the state.

[20-14-12-21] Sec. 21. (a) IC 4-21.5 applies to proceedings to discipline a practitioner under this chapter.

(b) The board is the ultimate authority under IC 4-21.5.

[20-14-12-22] Sec. 22. (a) A complaint and information pertaining to the complaint are confidential until the attorney general files notice with the board of intent to prosecute the practitioner.

(b) Unless required to do so under law or in furtherance of an investigation, ~~a person~~ **an individual** employed by the office of the attorney general, the board, or the director may not disclose or further the disclosure of information concerning a complaint.

[20-14-12-23] Sec. 23. A practitioner may be disciplined under section 26 of this chapter if after a hearing the board finds any of the following:

(1) The practitioner has:

(A) employed or knowingly cooperated in fraud or material deception in order to obtain a certificate issued under this chapter;

(B) engaged in fraud or material deception in the course of professional services or activities; or

(C) advertised services in a false or misleading manner.

(2) The practitioner has been convicted of a crime that has a direct bearing on the practitioner's ability to practice competently.



(3) The practitioner has knowingly violated a rule adopted by the board.

(4) The practitioner has continued to practice although the practitioner has become unfit to practice due to:

(A) professional incompetence;

(B) failure to keep abreast of current professional theory or practice;

(C) physical or mental disability; or

(D) addiction or severe dependency upon alcohol or other drugs ~~which endangers~~ **that endanger** the public by impairing a practitioner's ability to practice safely.

(5) The practitioner has engaged in a course of lewd or immoral conduct in connection with the practitioner's practice.

[20-14-12-24] Sec. 24. The board may order a practitioner to submit to a reasonable physical or mental examination if the practitioner's physical or mental capacity to practice safely is at issue in a disciplinary proceeding.

[20-14-12-25] Sec. 25. Failure of a practitioner to comply with a board order to submit to a physical or mental examination renders the practitioner liable to the summary ~~revocation~~ **suspension** procedures under section 27 of this chapter.

[20-14-12-26] Sec. 26. The board may impose any of the following sanctions, singly or in combination, if the board finds a practitioner has committed an offense under section 23 of this chapter:

(1) Permanently revoke the practitioner's certificate.

(2) Suspend the practitioner's certificate.

(3) Censure the practitioner.

(4) Issue a letter of reprimand.

(5) Place the practitioner on probation status and require the practitioner to:

(A) report regularly to the board upon the matters that are the basis of the probation;

(B) limit practice to those areas prescribed by the board; or

(C) continue or renew professional education under a practitioner approved by the board until a satisfactory degree of skill has been attained in those areas that are the basis of the probation.

The board may withdraw the probation if the board finds that the deficiency that required disciplinary action has been remedied.

[20-14-12-27] Sec. 27. The board may summarily suspend a practitioner's certificate for ninety (90) days in advance of final adjudication or during the appeals process if the board finds that the practitioner represents a clear and immediate danger to the public health and safety if the practitioner is allowed to continue to practice. The summary suspension may be renewed upon a hearing before the board, and each renewal may be for ninety (90) days or less.



[20-14-12-28] Sec. 28. The board may reinstate a certificate that has been suspended under this chapter if after a hearing the board is satisfied that the applicant is able to practice with reasonable skill and safety. As a condition of reinstatement, the board may impose disciplinary or corrective measures authorized under this chapter.

[20-14-12-29] Sec. 29. The board shall seek to achieve consistency in the application of sanctions authorized in this chapter, and significant departures from prior decisions involving similar conduct shall be explained in the board's findings or orders.

## **Chapter 12. Library Capital Projects Fund**

[20-14-13-1] Sec. 1. As used in this chapter, "emergency" means:

- (1) when used with respect to repair or replacement, a fire, flood, windstorm, mechanical failure of any part of a structure, or other unforeseeable circumstance; and
- (2) when used with respect to site acquisition, the unforeseeable availability of real property for purchase.

[20-14-13-2] ~~Sec. 2: As used in this chapter, "library board" has the meaning set forth in IC 20-14-1-2.~~

[20-14-13-3] ~~Sec. 3: As used in this chapter, "library district" has the meaning set forth in IC 20-14-1-2.~~

[20-14-13-4] Sec. 2. ~~Sec. 4:~~ (a) A library district may establish a capital projects fund.

(b) With respect to a facility used or to be used by the library district, the fund may be used to pay for the following:

- (1) Planned construction, repair, replacement, or remodeling.
- (2) Site acquisition.
- (3) Site development.
- (4) Repair, replacement, or site acquisition that is necessitated by an emergency.

(c) Money in the fund may be used to pay for the purchase, lease, or repair of equipment to be used by the library district.

(d) The fund may be used to pay for the purchase, lease, upgrading, maintenance, or repair of computer hardware or software.

[20-14-13-5] Sec. 3. ~~Sec. 5:~~ (a) Before a library board may collect property taxes for a capital projects fund in a particular year, the library board must, after January 1 and before May 15 of the immediately preceding year, hold a public hearing on a proposed plan, pass a resolution to adopt a plan, and submit the plan for approval or rejection by the fiscal body designated in section ~~6~~ 4 of this chapter.

(b) The department of local government finance shall prescribe the format of the plan. A plan must apply to at least the three (3) years immediately following the year the plan is adopted. A plan must estimate for each year to which ~~it~~ **the plan** applies the nature and amount of proposed expenditures from the capital projects fund. A plan must estimate:

- (1) the source of all revenue to be dedicated to the proposed





1 expenditures in the upcoming budget year; and

2 (2) the amount of property taxes to be collected in that year and  
3 retained in the fund for expenditures proposed for a later year.

4 (c) If a hearing is scheduled under subsection (a), the governing  
5 body shall publish the proposed plan and a notice of the hearing in  
6 accordance with IC 5-3-1-2(b).

7 [20-14-13-6] Sec. 4. ~~Sec. 6:~~ (a) If the library board passes a  
8 resolution under section ~~5 3~~ of this chapter, **within not later than** ten  
9 (10) days after passing the resolution the board shall transmit a  
10 certified copy of the plan to the appropriate fiscal body or fiscal bodies,  
11 whichever applies. The appropriate fiscal body is determined as  
12 follows:

13 (1) If the library district is located entirely within the corporate  
14 boundaries of a municipality, the appropriate fiscal body is the  
15 fiscal body of the municipality.

16 (2) If the library district is not ~~covered~~ **described** by subdivision  
17 (1) and the district is located entirely within the boundaries of a  
18 township, the appropriate fiscal body is the fiscal body of the  
19 township.

20 (3) If the library district is not ~~covered~~ **described** by subdivision  
21 (1) or (2), the appropriate fiscal body is the fiscal body of each  
22 county in which the library district is located.

23 (b) The appropriate fiscal body shall hold a public hearing on the  
24 plan **within not later than** thirty (30) days after receiving a certified  
25 copy of the plan and either reject or approve the plan before August 1  
26 of the year that the plan is received.

27 [20-14-13-7] Sec. 5. ~~Sec. 7:~~ (a) If the library board passes a  
28 resolution under section ~~5 3~~ of this chapter and the appropriate fiscal  
29 body or bodies approve the plan, the library board shall submit the  
30 resolution and the plan to the department of local government finance.  
31 If the department of local government finance determines that:

32 (1) the library board has correctly advertised the plan under  
33 section ~~5(c)~~ **3(c)** of this chapter;

34 (2) the plan was adopted by the library board and approved by the  
35 appropriate fiscal body or bodies; and

36 (3) the plan conforms to the format prescribed by the department;  
37 the department shall require notice of the submission to be given to the  
38 taxpayers of the library district in accordance with IC 5-3-1-2(b).

39 (b) Ten (10) or more taxpayers who will be affected by the adopted  
40 plan may file a petition with the county auditor of a county in which the  
41 library district is located not later than ten (10) days after the  
42 publication, setting forth ~~their~~ **the taxpayers'** objections to the  
43 proposed plan. The county auditor shall immediately certify the petition  
44 to the department of local government finance.

45 [20-14-13-8] Sec. 6. ~~Sec. 8:~~ The department of local government  
46 finance shall, within a reasonable time, fix a date for a hearing on the



petition filed under section ~~7(b)~~ **5(b)** of this chapter. The hearing shall be held in a county in which the library district is located. The department of local government finance shall notify:

(1) the library board; and

(2) the first ten (10) taxpayers whose names appear ~~upon~~ **on** the petition;

at least five (5) days before the date fixed for the hearing.

[20-14-13-9] Sec. 7. ~~Sec. 9:~~ (a) After a hearing upon the petition under section ~~8 6~~ of this chapter, the department of local government finance shall certify ~~its~~ **the department's** approval, disapproval, or modification of the plan to the library board and the auditor of the county.

(b) A:

(1) taxpayer who signed a petition filed under section ~~7 5~~ of this chapter; or

(2) library district against which a petition under section ~~7 5~~ of this chapter is filed;

may petition for judicial review of the final determination of the department of local government finance under subsection (a). The petition must be filed in the tax court not more than forty-five (45) days after the department certifies ~~its~~ **the department's** action under subsection (a).

[20-14-13-10] Sec. 8. ~~Sec. 10:~~ The department of local government finance may approve appropriations from the capital projects fund only if the appropriations conform to a plan that has been adopted and approved in compliance with this chapter.

[20-14-13-11] Sec. 9. ~~Sec. 11:~~ (a) A library board may amend an adopted and approved plan to:

(1) provide money for the purposes described in section ~~4(b)(4)~~

**2(b)(4)** of this chapter; or

(2) supplement money accumulated in the capital projects fund for those purposes.

(b) When an emergency arises that results in costs that exceed the amount accumulated in the fund for the purposes described in section ~~4(b)(4)~~ **2(b)(4)** of this chapter, the library board must immediately apply to the department of local government finance for a determination that an emergency exists. If the department of local government finance determines that an emergency exists, the library board may adopt a resolution to amend the plan. The amendment is not subject to the deadline and the procedures for adoption described in section ~~5 3~~ of this chapter. However, the amendment is subject to modification by the department of local government finance.

(c) An amendment adopted under this section may require the payment of eligible emergency costs from:

(1) money accumulated in the capital projects fund for other purposes; or



(2) money to be borrowed from other funds of the library board or from a financial institution.

The amendment may also provide for an increase in the property tax rate for the capital projects fund to restore money to the fund or to pay principal and interest on a loan. However, before the property tax rate for the fund may be increased, the library board must submit and obtain the approval of the appropriate fiscal body or bodies, as provided in section ~~6~~ 4 of this chapter. An increase to the property tax rate for the capital projects fund is effective for property taxes first due and payable for the year next certified by the department of local government finance under IC 6-1.1-17-16. However, the property tax rate may not exceed the maximum rate established under section ~~12~~ 10 of this chapter.

[20-14-13-12] Sec. 10. ~~Sec. 12:~~ To provide for the capital projects fund, the library board may, for each year in which a plan adopted under section ~~5~~ 3 of this chapter is in effect, impose a property tax rate that does not exceed one and sixty-seven hundredths cents (\$0.0167) on each one hundred dollars (\$100) of assessed valuation of the library district. This rate must be advertised in the same manner as other property tax rates.

[20-14-13-13] Sec. 11. ~~Sec. 13:~~ Interest on the capital projects fund, including the fund's pro rata share of interest earned on the investment of total money on deposit, shall be deposited in the fund. The library board may allocate the interest among the accounts within the fund.

[20-14-13-14] Sec. 12. ~~Sec. 14:~~ The department of local government finance may adopt rules under IC 4-22-2 to implement this chapter.

### **Chapter 13. Interstate Library Compact**

[20-14-11-1] Sec. 1. This chapter applies to ~~the state of~~ Indiana and any state bordering ~~on~~ Indiana that joins in the interstate library compact.

[20-14-11-2] Sec. 2. (a) The appropriate officials and agencies of the party states or ~~any of their a political subdivisions, subdivision,~~ as defined in IC 36-1-2-13, may, on behalf of ~~their the party states or subdivisions, political subdivision,~~ enter into agreements under the interstate library compact for cooperative or joint conduct of library services ~~when they find if the party states or political subdivision finds~~ that the distribution of population makes the provision of library service on an interstate basis the most effective way to provide adequate and efficient services.

(b) Agreements under the interstate library compact entered into on behalf of ~~the state of~~ Indiana shall be made by the compact administrator.

(c) Agreements under the interstate library compact entered into on behalf of one of Indiana's political subdivisions shall be made after giving notice to the compact administrator and after consulting with ~~him~~ **the compact administrator** about the agreement.



1 [20-14-11-3] Sec. 3. The director of the Indiana state library, ex  
 2 officio, ~~shall be~~ **is** the compact administrator. The compact  
 3 administrator shall:

4 (1) receive copies of all agreements entered into by the state or ~~its~~  
 5 **a political subdivisions subdivision of the state** and other party  
 6 states or political subdivisions;

7 (2) consult with, advise, and aid the political subdivisions in the  
 8 formulation of interstate library compact agreements;

9 (3) make recommendations to the governor, legislature,  
 10 governmental agencies, and political subdivisions that are  
 11 desirable to effectuate the purposes of this compact; and

12 (4) consult and cooperate with the compact administrators of  
 13 other party states.

14 [20-14-11-4] Sec. 4. ~~Any~~ **An** interstate library compact agreement  
 15 must:

16 (1) detail the specific nature of the services, facilities, properties,  
 17 or personnel to which ~~it~~ **the compact** is applicable;

18 (2) provide for the allocation of costs and other financial  
 19 responsibilities;

20 (3) specify the respective rights, duties, obligations, and  
 21 liabilities; and

22 (4) stipulate the terms and conditions for duration, renewal,  
 23 termination, abrogation, disposal of joint or common property, if  
 24 any, and all other matters that may be appropriate to the proper  
 25 effectuation and performance of the agreement.

26 [20-14-11-5] Sec. 5. ~~This~~ **A** compact continues in force and remains  
 27 binding ~~upon~~ **on** each party state until six (6) months after ~~any~~ **a** state  
 28 has given notice of repeal by the legislature. The repeal of an interstate  
 29 library compact chapter does not relieve any party to an interstate  
 30 library compact agreement from the obligation of that agreement before  
 31 the end of ~~its~~ **the compact's** stipulated period of duration.

32 [20-14-11-6] Sec. 6. The agencies and officers of this state and ~~its~~  
 33 **political subdivisions of the state** shall enforce ~~this~~ **the** compact and  
 34 do all things appropriate within their power to effect ~~its~~ **the compact's**  
 35 purpose and intent.

